
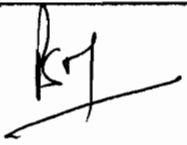

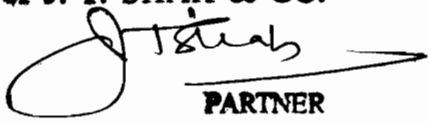


FORM A

Covering Letter of the Annual Audit Report to be filed with Stock Exchanges

1.	Name of the Company:	Nandan Exim Limited
2.	Annual Financial Statements for the year ended:	31 st March, 2013
3.	Type of Audit Observation:	Unqualified
4.	Frequency of Observation:	N.A.
5.	Signed by:	
	Shri. Deepak Chiripal, C.E.O.	
	Shri. P.S. Misra, C.F.O.	
	Shri. Ambalal Patel, Audit Committee Chairman	
	Auditor of the Company J. T. Shah	For J. T. SHAH & CO.  PARTNER

NANDAN EXIM LIMITED

young yet experienced

19th Annual Report **2012-2013**



Company Information

BOARD OF DIRECTORS

Mr. Vedprakash D. Chiripal	<i>Chairman</i>
Mr. Brijmohan D. Chiripal	<i>Managing Director</i>
Mr. T.S. Bhattacharya	<i>Director</i>
Mr. Gautam C. Gandhi	<i>Director</i>
Mr. Ambalal C. Patel	<i>Director</i>
Mr. Deepak J. Chiripal	<i>CEO</i>
Ms. Purvee D. Roy	<i>Company Secretary</i>

BANKERS

State Bank of India
State Bank of Hyderabad
Syndicate Bank
Oriental Bank of Commerce
State Bank of Travancore
United Bank of India
Karur Vysya Bank
Bank of Maharashtra
UCO Bank
Dena Bank
Laxmi Vilas Bank
Central Bank of India
The Saraswat Co-Operative Bank Ltd.

REGISTERED OFFICE & PLANT

Survey No. 198/1, 203/2,
Saijpur-Gopalpur, Pirana Road,
Piplej, Ahmedabad - 382405

CORPORATE OFFICE

"Chiripal House",
Shivranjani Cross Roads,
Satellite, Ahmedabad - 380015.
Tel : 91-079-26734660-2-3
Fax : 91-079-26768656
Email : cs.nel@chiripalgroup.com

COMMITTEES OF BOARD :-

AUDIT COMMITTEE

Shri Ambalal C. Patel	<i>Chairman</i>
Shri Vedprakash D. Chiripal	<i>Member</i>
Shri Gautam C. Gandhi	<i>Member</i>

REMUNERATION COMMITTEE

Shri Ambalal C. Patel	<i>Chairman</i>
Shri Vedprakash D. Chiripal	<i>Member</i>

SHAREHOLDERS GRIEVANCE COMMITTEE

Shri Gautam C. Gandhi	<i>Chairman</i>
Shri Vedprakash D. Chiripal	<i>Member</i>
Shri Ambalal C. Patel	<i>Member</i>

AUDITORS

M/s J.T. Shah & Co.,
Chartered Accountants,
201/202, Lalita Complex,
Nr. Mithakhali Cross Roads,
Navrangpura, Ahmedabad - 380 009

REGISTRAR & TRANSFER AGENT

Datamatics Financial Services Ltd.
Plot No. B5, Part B Cross Lane,
MIDC, Andheri (E), Mumbai - 400 093
Tel. No.: 022-66712001-06
Fax No.: 022-66712011
Email : investorqry@dfssl.com

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NOTICE

Notice is hereby given that the **19th Annual General Meeting** of the Members of the Company will be held on **Thursday, August 29, 2013** at 3.00 P.M. at the Registered Office of the Company situated at Survey No. 198/1 & 203/2, Saijpur – Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit and Loss Account for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri.Vedprakash D. Chiripal, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint auditors M/s. J.T. Shah & Co., Chartered Accountants to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS:

5. Appointment of Shri. T.S. Bhattacharya as a Director liable to retire by rotation.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT Shri. T. S. Bhattacharya who was appointed on February 6, 2013 as an Additional Director of the Company and holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 be and is hereby appointed as Director of the Company."

6. Increase in Authorised Share Capital of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to Sections 94 and 16 and other applicable provisions, if any, of the Companies Act, 1956, the Authorized Share Capital of the Company be and is hereby increased from Rs. 50,00,00,000/- (Rupees Fifty Crore only) divided into 5,00,00,000 Equity Shares of Rs. 10/- each to Rs.1,50,00,00,000/- (Rupees One Hundred and Fifty Crore only) divided into 15,00,00,000 Equity Shares of Rs. 10/- each, which shall rank *pari-passu* with the existing equity shares in all respects with the power to issue the new shares upon such terms and conditions and with such rights and privileges attached thereto as the Board shall determine from time to time".

"RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association be and is hereby altered to read as follows:

- V. The Authorized Share Capital of the Company is Rs.1,50,00,00,000/- (Rupees One Hundred and Fifty Crore only) divided into 15,00,00,000 (Fifteen Crore only) Equity Shares of Rs. 10/- (Rupees Ten only) each".

7. Change in the name of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT subject to necessary approvals from the Registrar of Companies, Gujarat and subject to any other consents and approvals as may be required under the existing laws, rules and regulations and the bye-laws and regulations of the Stock Exchanges on which the securities of the Company are listed, the name of the Company be changed to 'NANDAN DENIM LIMITED'."

"RESOLVED FURTHER THAT the existing Clause I of the Memorandum of Association of the Company be substituted with the following new Clause:

- I. The Name of the Company is 'NANDAN DENIM LIMITED'"

"RESOLVED FURTHER THAT pursuant to sections 16, 31 and other applicable provisions, if any, of the Companies Act, 1956, the name 'Nandan Exim Limited' wherever it occurs in the Memorandum and Articles of Association of the Company be substituted by 'NANDAN DENIM LIMITED'."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take necessary steps to give effect to the resolution."

By order of the Board of Directors

Date : May 30, 2013
Place : Ahmedabad

Vedprakash D. Chiripal
Chairman

NOTES:

1. (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
 - (b) Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
2. The Statutory Registers are open for inspection at the registered office of the company on all working days except Sunday(s) and public holidays, between 11.00 a.m. to 01.00 p.m. upto the date of the meeting.
3. (a) The Company has notified closure of Register of Members and Share Transfer Books from Friday, August 23, 2013 to Thursday, August 29, 2013 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the meeting.
 - (b) The date for payment of dividend is September 5, 2013 and the dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched between August 30, 2013 and September 5, 2013 to those members whose names shall appear on the Company's Register of Members on August 23, 2013; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners as on that date.
4. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
5. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company / Registrar and Transfer Agents, M/s. Datamatics Financial Services Limited.
6. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company will transfer the unpaid or unclaimed dividends for the financial years which are due for transfer to the Investor Education and Protection Fund (the IEPF) within the limit and time framed by the Central Government and the amendments announced thereafter from time to time.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (**PAN**) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding Equity Shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agents, Datamatics Financial Services Limited.
8. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website:
www.chiripalgroup.com ⇒ Group Companies ⇒ Nandan Exim Limited ⇒ Investor Relations
9. Members who hold shares in physical form in multiple folios, in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Transfer Agent, M/s. Datamatics Financial Services Limited for consolidation into a single folio.
10. Non-Resident Indian Members are requested to inform the Registrar and Transfer Agents, M/s. Datamatics Financial Services Limited immediately of:
 - a. Change in their residential status on return to India for permanent settlement.
 - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
11. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
12. A brief resume of the Director to be re-appointed, nature of his expertise in functional areas, names of companies in which he holds directorship and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Notice forming part of the Annual Report.

13. As part of the “Green Initiative in Corporate Governance” introduced by the Ministry of Corporate Affairs (MCA), Government of India through its circular, your Company has been sending all shareholder communications such as the notice of General Meetings, Audited Financial Statements, Directors’ Report, Auditors’ Report, etc. to shareholders in electronic form to the Email ID provided by them and made available to us by the Depositories. Members are requested to register their Email Id with their Depository Participant and inform them of any changes to the same from time to time. However, Members who prefer physical copy to be delivered may write to the Company at its Corporate Office or send an Email to cs.nel@chiripalgroup.com providing their DP Id and Client Id as reference.

By order of the Board of Directors

Date : May 30, 2013
Place : Ahmedabad

Vedprakash D. Chiripal
Chairman

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the following information is furnished about the Directors proposed to be appointed / re-appointed vide Item No. 3 of the Notice dated May 30, 2013 convening the 19th Annual General Meeting of Nandan Exim Limited:

Name of Director	Brief Resume and Nature of Expertise in Functional Area	List of Directorship / Committee Memberships in other Public Companies as on March 31, 2013
Shri. Vedprakash D. Chiripal	He is a Commerce Graduate and has studied at the Calcutta University. He owns more than 3 decades of experience in the textile industry. Under the guidance of Shri. Vedprakash Chiripal, the Company has achieved great heights. A self made Industrialist, he started from a small weaving unit of mere 12 power looms in the year 1974. The saga of his success took its flight from there and he eventually added to his fleet a couple of textile processing units, backwardly integrating manufacturing units, etc. He later lead to horizontal expansion by setting up a fully integrated denim manufacturing unit. With his ever readiness attitude for growth, he further successfully lead the group to diversify and expand into the fields of real estate, infrastructure and education. As Chairman of the company, he has also enabled a potential for growth for his associates and continuously nurtures the talent of individuals.	<p>Other Directorship: Chiripal Industries Limited CIL Nova Petrochemicals Limited Chiripal Poly Films Limited</p> <p>Committee positions held in Nandan Exim Limited: Member – Audit Committee Member – Shareholders Grievance Committee Member – Remuneration Committee</p> <p>Committee Positions held in other Public Companies: 2 (two)</p>
Shri. T.S. Bhattacharya	Shri. Bhattacharya has more than 40 years of experience in the Indian banking sector. He is also a former Managing Director of State Bank of India. He has been involved in almost every transaction - be it debt syndication or restructuring, including the financing of refinery projects, the ultra –mega power projects. He brings with him the innate understanding of the Indian banking system, and relationships at the highest levels of almost all banks present in India.	<p>Other Directorship: Jindal Stainless Limited Sayaji Hotels Limited IDFC Securities Limited Amartex Industries Limited Abhijeet Power Limited Speciality Restaurants Limited Surya Roshni Limited IDFC AMC Trustee Company Limited IND Swift Laboratories Limited</p> <p>Committee positions held in Nandan Exim Limited: NIL</p> <p>Committee Positions held in other Public Companies: 3 (three)</p>

EXPLANATORY STATEMENT
[Pursuant to Section 173(2) of the Companies Act, 1956]

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following explanatory statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

Item No. 5:

Shri. T.S. Bhattacharya was appointed as an Additional Director of the Company with effect from February 6, 2013 pursuant to Section 260 of the Companies Act, 1956 read with Article 134 of the Articles of Association of the Company. Shri. T.S. Bhattacharya holds office upto the date of Annual General Meeting of the Company.

None of the Directors of the Company other than Shri. T.S. Bhattacharya is interested or concerned in the resolution.

The Board accordingly recommends the resolution as set out in Item No. 5 of the Notice for the approval of the members.

Item No. 6:

The present Authorised Share Capital of the Company is Rs. 50,00,00,000/- divided into 5,00,00,000 Equity Shares of Rs. 10/- each. In order to meet the eventualities such as augmenting resources, issue of shares, etc., it is proposed to increase the Authorised Share Capital to Rs. 1,50,00,00,000/- divided into 1,50,00,00,000 Equity Shares of Rs. 10/- each.

This requires amendment of Capital Clause V of Memorandum of Association with the approval of shareholders by way of Ordinary Resolution. Hence, the proposals are placed for your approval.

None of the Directors of the Company is interested in the said resolution, save and except as shareholder and to the extent of their shareholding in the Company.

The Board accordingly recommends the resolution as set out in Item No. 6 of the Notice for the approval of the members.

Item No. 7:

In the last few years, the denim market has grown up to be a rather competitive market. Historically, at the time when the Company started its operations, the Company's major activities included trading in fabrics in domestic and international markets. In the last ten years, Nandan Exim Limited has extensively increased its scope and has expanded its business operations beyond import-export and is emerging as a leading player in the denim market.

The Company is having its own spinning, weaving and finishing units and has recently entered the readymade garment sector. Thus, the scope of its activities is no more limited to import & export. With this integration of activities and growth plans, a change of name represents a logical step in the Company's transformation. There is a need to develop a very strong branding and marketing presence in domestic and international markets. In today's context, the Company's name reflects only one of its business activity and does not capture the array of other activities carried on, in India and worldwide.

The word 'Nandan' has been associated with the Company since years and is considerably more familiar to customers, stakeholders and people connected with the Company. The Company is recognized by the word 'Nandan'. Thus, the word 'Nandan' is an integral part of the Company which reflects its identity. Based on the exercise conducted by the management on alternative names for the Company, the name 'NANDAN DENIM LIMITED' seemed most appropriate.

In this regard, Form 1A has already been filed by the Company with the Registrar of Companies, Gujarat and they have confirmed the availability of the new name vide their letter dated July 3, 2013. Subject to the resolution being passed, an application will be made to the Registrar of Companies for approval to the change of name under section 21 of the Companies Act, 1956.

If the change of name is approved, share certificates already issued will not be called in only for the purpose of exchange into certificates bearing the new name but will be so exchanged as and when the existing share certificates come into the possession of the Company and in the mean time the existing certificates will continue to be accepted for all purposes, as indicating entitlement to shares of the Company.

None of the Directors of the Company are interested in the said resolution, save and except as shareholder and to the extent of their shareholding in the Company.

The Board accordingly recommends the resolution as set out in Item No. 7 of the Notice for the approval of the members.

By order of the Board of Directors

Date : May 30, 2013
Place : Ahmedabad

Vedprakash D. Chiripal
Chairman

DIRECTORS REPORT

Dear Members,

Your Directors have pleasure in presenting the 19th Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended March 31, 2013.

FINANCIAL HIGHLIGHTS:

The financial performance of the company is summarized below:

(Rs. in crores)

FINANCIAL RESULTS	2012-13	2011-12
Turnover	703.12	573.84
Profit Before Depreciation	76.68	55.29
Less: Depreciation	40.92	33.26
Profit After Depreciation	35.76	22.03
Less: Provision for Taxation	7.46	6.01
Less: Provision for Deferred Tax	(2.75)	1.5
Profit After Taxation	31.05	18.79
Less: Prior Period Items	—	—
Less: Short / (Excess) provision of Income Tax	—	—
Profit for the year	31.05	18.79
Appropriations / Adjustments		
Balance of profit / (loss) brought forward	—	—
Interim Dividend	NIL	NIL
Proposed Final Dividend (12% i.e.Rs. 1.20/- per share)	5.47	4.55
Corporate Dividend Tax (including cess and surcharge)	0.93	0.74
General Reserves	0.78	0.47
Profit carried to Balance Sheet	31.05	18.79

PERFORMANCE:

During the year under review, your Company has achieved a record turnover of Rs. 703.12 crores as against Rs. 573.84 crores for the previous financial year registering a rise of 22.52 percentage.

The profit before tax (after interest and depreciation charges) during the year under review was Rs. 35.76 crore as compared to previous years figure of Rs. 22.03 crore. The Net Profit during the year 2012-13 was Rs. 31.05 crore as compared to previous year figure of Rs. 18.79 crore which shows the increase of 65.23 percentage. Your Directors would like to inform that the Company is implementing the expansion projects by increasing its production capacity continuously in order to grab the increase in demand for the denim fabrics in the domestic and international market and thereby increasing its volume and activities in its field. Further the Company has targeted to achieve high volume in the terms of quantity and value and also adding the capacity to improve its performance and thereby its share in the market. Your Company expects to achieve very excellent performance during the current year.

CREDIT RATING:

The current ratings of the Company are 'Fitch BBB-(ind)' for long term loans, 'Fitch BBB-(ind)' / 'Fitch A3 (ind)' for Fund Based Limits and FitchA3(ind) for Non – Fund Based Limits. This is as per Fitch Ratings India Private Limited.

DIVIDEND:

Your Directors have recommended a dividend of Rs. 1.20 per Equity Share i.e. 12% (last year Rs. 1.00 per Equity Share) for the financial year ended March 31, 2013. The dividend will be paid to the members whose name appears in the Register of Members as on Record Date in respect of the shares held in dematerialised form. It will be paid to the members whose names are furnished by National Securities Depositories Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

The dividend payout for the year under review has been formulated in accordance with shareholders' aspirations and the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company.

DEPOSITORY SYSTEM:

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on March 31, 2013, 99.97 % of the Company's total paid-up Capital representing 4,55,33,454 shares are in dematerialized form. In view of the numerous advantages offered by the Depository System, members holding shares in physical mode are advised to avail of the facility of dematerialization on either of the Depositories.

PUBLIC DEPOSIT:

Your Company has not accepted any deposit during the year under review u/s. 58A of the Companies Act, 1956.

SAFETY OF ASSETS:

Your Directors state that the business is exposed to lots of unforeseen risks attached to its real assets as plant & machinery, stocks and other assets of the Company and in case any unforeseen event happens, entire business might get stuck and therefore your Directors have taken effective steps to cover these risks adequately by having insurance cover as per the norms to safeguard the business and the interest of the stakeholder of the Company

CORPORATE GOVERNANCE:

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.

CORPORATE SOCIAL RESPONSIBILITY:

SEBI, vide its circular has mandated companies listed on the BSE & NSE to include Corporate Social Responsibility as part of the Annual Report describing the initiatives taken by the companies from Environmental, Social and Governance perspective. Besides this, the Company has an innate desire and zeal to contribute towards the welfare and social upliftment of the community. Accordingly, the Corporate Responsibility Report is attached and forms part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate section forming part of the Annual Report.

BOARD OF DIRECTORS:

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 1956, Shri.Vedprakash D. Chiripal, Director retires by rotation from the Board of Directors of the Company at the ensuing Annual General Meeting during the year under review, and offers himself for reappointment. Your Directors recommend his reappointment. Also, Shri. T.S. Bhattacharya who was appointed as an Additional Director at the Board Meeting of the Company will be regularized as a Director at the ensuing Annual General Meeting.

A brief resume of the Director retiring by rotation and the Director to be regularised at the ensuing Annual General Meeting, nature of expertise in specific functional areas and names of companies in which they holds directorships, chairmanships of Committees of the Board as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India forms part of the Annual Report.

PARTICULARS OF EMPLOYEES:

Since there are no employees employed by the Company which are covered under section 217 (2A) of the Companies Act, 1956, the particulars of employees as required by section 217 (2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules, 1975 as amended is not appended.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, relevant amounts which remain unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 and based on the information received from the Management and after due enquiry, your Directors state that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) They have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit of the Company for the year ended on that date;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts of the Company have been prepared on a going concern basis.

AUDITORS AND AUDITORS' REPORT:

M/s. J.T. Shah & Co., Chartered Accountants, the Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

The observations and comments given by Auditors in this report read together with notes to accounts are self explanatory and hence do not call for any further comments under Section 217 of the Companies Act, 1956.

COST AUDITORS:

The Company has appointed M/s. A.G. Tulsian & Co., Cost Auditors, Ahmedabad for conducting cost audit of textile and other products for the financial year 2013-14.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure to this report.

ACKNOWLEDGEMENT:

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the services by the executives, staff and workers of the Company.

For and on behalf of the Board

**Place : Ahmedabad
Date : May 30, 2013**

**VEDPRAKASH D. CHIRIPAL
Chairman**

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE – 1

Particulars pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Report of the Directors.

A. CONSERVATION OF ENERGY:**(a) ENERGY CONSERVATION:**

1. Interlocking of all hood fan with machine operation. When machine is stopped hood fan will also stop. Energy saving of 50 units per day.
2. Interlocking of singeing machine exhaust air blower with machine running. Energy saving of 25 Units per day.
3. We have started eff -1 type motor to use in place of eff-2 type motor.
4. VFD for motors where star delta starter were used in H plants motor, as per application supply fan as well as return fan.
5. Using lighting transformer for plant lights, by this transformer output voltage is maintained 220 volt, so life of tube rod & ballast is increased and energy saving due to reduced supply voltage.
6. In packing & folding department previously DC motor were used , now we have started to use AC motors. AC motors are having very less maintenance expense & failure is zero as compare to DC motors.
7. We are using high efficient pump in place of standard pumps.
8. Installation of automatic light controller for street light.
9. In godown areas, transparent sheets are used, due to this in day time, no lights are needed.
10. Now energy efficient bearings are used in looms motor.
11. All over head water tank are controlled by level controller.
12. Regular checking of surface temp of hot & cold insulation, if heat losses is observed , repaired or attended.

(b) WATER CONSERVATION

1. Recycling of treated effluent water in dyeing and sizing machine no 1, 2, 5, 7 and 8.
2. Recycling of water of finishing department to merceriser machine.
3. Reuse of RO reject water in dyeing sizing machine no 3, 4 and 6.

B. ADDITIONAL INVESTMENTS AND PROPOSALS-

1. We have planned to recover flash steam from condensate. This flash steam will be used to heat water and hot water will be used in size kitchen.
2. Given compressed air audit work to Forbes Marshall to audit air leakage and misuse of Compressed air in plant.
3. We are installing valve on Looms to monitor compressed air usage on individual loom. Regular monitoring of compressed air on loom will help us to optimize the air consumption on air jet looms.

C. Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

1. By recovering flash steam we will be reducing steam consumption and saving approximately Rs 20 Lacs per annum. Pay back for the capital expenditure is approximately six months.
2. By optimizing compressed air on loom and reduced air leakages we will be saving Rs 30 Lacs per annum.

(d) Total Energy Consumption and energy consumption per Unit of Production:

I. POWER & FUEL CONSUMPTION

Power and Fuel Consumption:	31.03.2013	31.03.2012
1. Electricity		
(a) Purchased		
Unit (kwh)	4473876	2974220
Total Amount	38142205	26083532
Rate / Unit (Rs.)	8.53	8.77
(b) Own Generator:		
i. Through Diesel Generator		
Unit (kwh)	NIL	NIL
Units per ltr of Fuel Oil / Gas	NIL	NIL
Cost / Unit (Rs.)	NIL	NIL
ii. Through Steam Turbine / Generator		
Unit (kwh)	110365849	37176900
Units per kg. of Coal, Lignite etc.	1.64	1.09
Cost / Unit (Rs.)	4.60	3.52
2. LIGNITE		
Quantity (Tones) / Day	495.03	391.43
Total Cost (Rs.)	431780508	384197735
Average Rate (Rs.)	2406.85	2681.75
3. COAL		
Quantity (Tones) / Day	—	86.42
Total Cost (Rs.)	—	109001564
Average Rate (Rs.)	—	3446.01
4. FURNACE OIL (Used in Generation of Steam)		
Quantity (K. Litres)	NIL	NIL
Total Amount (Rs. in Lakhs)	NIL	NIL
Average Rate (Rs.)	NIL	NIL
5. OTHERS LSHS (Low Sulpher High Stock) (Used in Generation of Steam)		
Quantity (Tones)	NIL	NIL
Total Cost (Rs. Lakhs)	NIL	NIL
Rate / Unit (Rs.)	NIL	NIL

II. CONSUMPTION PER METER OF PRODUCTION:

	31.03.2013	31.03.2012
Electricity (KWH) Per Meter	0.80	0.60
Coal (Specified Quality)	0.00	0.22
Lignite (KG) Per Meter	0.53	3.06

E. TECHNOLOGY:

RESEARCH AND DEVELOPMENT (R & D)

1. Specific Area in which R & D is carried out by the Company

- A. We have developed special flat finish and coated denim fabric and got very positive response, resulting in high end market.
- B. Development of cotton stretch in house with the help of spandex & amsler attachment.
- C. Development of PU coat, back side pigment coating, over dyeing by padding mangle & pu coating trials are conducted in house successfully.
- D. Trials for Printing & discharge prints are carried. Good response from market.
- E. New collection for Kingspin is carried out with the expert team from dystar. We are getting good response from market.

2. Benefits derived as a result of the Above R & D

- A. Developed power stretch varieties in cotton spandex according to latest market requirement for national & international brands.
- B. Back side pigment for USA brands like Tommy Hilfiger, CK etc. target good response.
- C. Discharge Print in denim for new luxury market.
- D. In discharge prints, we take lot of trials for international brands and get good response also. We are waiting for commercial order.
- E. Washing trials conducted by our team along with dystar got good response from national & also international level lot of enquiry is carried out by international brands. We do some commercial orders for TOMMY HIFIGHER, H&M, ANN TYLOR, ADIDAS (Germany) & waiting for few more also.
- F. Offering of value added product, we have fetched better pricing and higher margins.

3. Future Plan of Action

Presently we have carried out trials on stenter for tinting & colour coating trials for next collection. Trials taken with different colour combination for dyeing styles, new washing collection for next kingpins collection. With the help of chemical suppliers & their R& D team taking lot of trials for various type of coatings carried out in international market & regarding fashion trends for washing. We will spend more time and effort to create new products looking to fashion requirement.

F. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- 1. Aeration roll path in the oxidation zone has increased from 18 mts to 23 – 24 mts in two machines, increased depth of indigo of the fastness property of the fabric.
- 2. Different trials were taken to stabilize stretch product and for better stretch and recovery. With our innovative method, we offer higher stretch and better recovery to our value added stretch product.
- 3. Denim is a product for everybody, looking to that we have produced silky denim by adopting different weave, which resulted out softer denim.
- 4. In loom shed, sub nozzle head support block new design fixed and due to this we have reduced approx 4 to 5 CFM efforts made towards Technology Absorption, Adaptation and Innovation:

Benefits derived:

- 1. Denim is being sold to customer in wash form to keep in mind that we have offered deeper shade in fabric which has given contrast look afterward and more acceptable to market.
- 2. Modification of dyeing tank done (in slasher) so as to increase dipping time from 6 to 8 meter which has resulted into increase in the depth of indigo.
- 3. In spinning, in house production of Core Span Yarn (CSY), Spandex has started.

G. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- a. The Company has taken various steps to increase exports of products during the year.
- b. Foreign exchange earning and outgo during the year:

(Rs. in crores)

Particulars	31.03.2013	31.03.2012
(a) Foreign Exchange Earnings:	77.31	55.21
(b) Foreign Exchange Outgo:	3.86	1.50

Total Foreign Exchange Used and Earned: As per Notes on Accounts

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Indian Textile Industry

Indian Textile Industry is one of the leading textile industries in the world. Though it was predominantly unorganized industry few years back, but the scenario started changing after the economic liberalization of Indian economy in 1991. The opening up of economy gave the much needed thrust to the Indian Textile Industry, which has now successfully become one of the largest in the world.

Indian Textile Industry largely depends upon the textile manufacturing and export. It also plays a major role in the economy of the country. India earns about 27% of its total foreign exchange through textile exports. Further, the textile industry of India also contributes nearly 14% of the total industrial production of the country. It also contributes around 3% to the GDP of the country. Indian Textile Industry is also the largest in the country in terms of employment generation. It not only generates jobs in its own industry, but also opens up scopes for the other ancillary sectors. Indian Textile Industry currently generates employment to more than 35 million people.

Indian Textile Industry can be divided into several segments, some of which can be listed as below:

- Cotton Textiles
- Silk Textiles
- Woolen Textiles
- Readymade Garments
- Hand-crafted Textiles
- Jute and Coir

CURRENT SCENERIO

The Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a vital role through its contribution to industrial output, employment generation and the export earnings of the country.

The sector contributes about 14% to industrial production, 4% to GDP and 17% to the country's export earnings. It provides direct employment to over 35 million people. The textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation.

India has the potential to increase its textile and apparel share in the world trade from the current level of 4.5% to 8% and reach US\$ 80 billion by 2020.

EXPORT SCENERIO

The Indian textiles and clothing industry is one of the largest contributors to the country's exports. The textile products continue to hold an important role in the Indian exports.

TECHNICAL TEXTILE SEGMENT

Technical textiles are an important part of the textile industry. The Working Group for the Eleventh Five Year Plan has estimated the market size of technical textiles to increase from US\$ 5.29 billion in 2006-07 to US\$ 10.6 billion in 2011-12, without any regulatory framework and to US\$ 15.16 billion with regulatory framework. The Scheme for Growth and Development of Technical Textiles aims to promote indigenous manufacture of technical textile to leverage global opportunities and cater to the domestic demands.

Further, the government is set to launch US\$ 44.21 million mission for promotion of technical textiles, while the Finance Ministry has cleared setting up of four new research centers for the industry, which include products like mosquito and fishing nets, shoe laces and medical gloves.

The global technical industry is estimated at US\$ 127 billion and its size in India is pegged at US\$ 11 billion.

Market Size

The Indian textile industry is set for strong growth, buoyed by both rising domestic consumption as well as export demand. Abundant availability of raw materials such as cotton, wool, silk and jute and skilled workforce has made India a sourcing hub.

The most significant change in the Indian textile industry has been the advent of man-made fibres (MMF). India has successfully placed its innovative range of MMF textiles in almost all the countries across the globe. Man-made fibre production recorded an increase of 2 per cent during the year 2012-13.

Cotton yarn production increased by about 15 per cent during March 2013 and by about 14 per cent during the year 2012-13. Blended and 100 per cent non-cotton yarn production increased by 10 per cent during March 2013 and production increased by 3 per cent during the year 2012-13. Cloth production by mill sector registered a growth of 19 per cent during year 2012-13. Cloth production by handloom and hosiery increased by 2 per cent and 14 per cent. The total cloth production grew by 1 per cent during March 2013 and by 4 per cent during year 2012-13.

Government Initiatives

The Government of India has promoted a number of export promotion policies for the textile sector. It has also allowed 100 per cent Foreign Direct Investment (FDI) in the Indian textile sector through automatic route.

According to the Union Budget 2013-14:

- Technology Upgradation Fund Scheme (TUFS) to continue in 12th Plan with an investment target of Rs 151,000 crore (US\$ 27.58 billion)
- Rs 50 crore (US\$ 9.13 million) were allocated to Ministry of Textile to incentivise setting up apparel parks within the Scheme for Integrated Textile Parks (SITP) to house apparel manufacturing units
- A new scheme called the Integrated Processing Development Scheme will be implemented in the 12th Plan to address the environmental concerns of the textile industry
- Working capital and term loans at a concessional interest of 6 per cent to handloom sector
- Scheme of Fund for Regeneration of Traditional Industries (SFURTI) extended to 800 clusters during the 12th Plan.

Some of initiatives taken by the Government to further promote the industry are as under:

- India and China have signed a memorandum of understanding (MoU) for promotion of exports of Indian handicrafts
- India and Mauritius have signed a MoU to enhance the trade & economic relations by expanding business and cooperation in the sphere of textiles and clothing including sericulture and silk and fashion industries
- A total of 61 textile parks approved under the SITP are expected to generate over 1 million jobs. Mr. Anand Sharma, Union Minister for Commerce, Industry and Textiles, launched 21 new Textile Parks on April 23, 2013
- Mr. Anand Sharma, Union Minister for Commerce, Industry and Textiles, Government of India, has announced a scheme on usage of agrotexiles in the North East region of India with a five year budget of Rs 55 crore (US\$ 10.04 million)
- Maharashtra has attracted Rs 3,834 crore (US\$ 700.03 million) investments in 411 new textile projects, due to the new textile policy, as per Mr. Arif Naseem Khan, Minister for Textile, Maharashtra.

Road Ahead

The Textile Industry is expected to reach US\$ 220 billion by 2020. The Central Silk Board sets targets for raw silk production and encourages farmers and private players to grow silk. To achieve these targets, alliances with the private sector, especially major agro-based industries in pre-cocoon and post-cocoon segments has been encouraged.

For the textile industry, the proposed hike in FDI limit in multi-brand retail will bring in more players, thereby providing more options to consumers. It will also bring in greater investments along the entire value chain - from agricultural production to final manufactured goods.

With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with several international players like Marks & Spencer, Guess and Next having entered the Indian market. The organised apparel segment is expected to grow at a compound annual growth rate (CAGR) of more than 13 per cent over a 10-year period.

Exchange Rate Used: INR 1 = US\$ 0.018 as on May 14, 2013

References: Ministry of Textiles, Indian Textile Journal, Department of Industrial Policy and Promotion, Press Information Bureau

DENIM INDUSTRY IN INDIA

Indian Denim Industry foresees bright prospects

India started very late in Denim despite the fact that the oldest industry in India is the textile industry, we are rich in cotton and denim is basically a cotton based fabric. At that time, due to lesser demand in the domestic market, India was exporting almost two thirds of its denim production when we were producing 300 million meters per annum.

With the passage of time the domestic demand started growing. Simultaneous to the increase in capacity, domestic demand also increased.

When the capacity of denim production was 600 million meters, India was still exporting 200 million meters of denim fabric. The perception that denim fabric exports from India have not grown over a period of time is true. The fact remains that the Indian denim industry or the Denim manufacturers have not been so interested in exports. The reason behind this reluctance is not very complex. Most of the Indian manufacturers have been able to make profits by selling in the domestic market, and hence do not feel the need to compete in the international market.

In India, demand for Denim has been growing at a phenomenal pace in the recent years. Around 5 years ago, the annual production capacity was around 600 million meters, and today it is approximately around 1000 million meters. In the past two years, Indian denim industry has seen an increase in capacity of about 200-250 million meters. New players have come in, and existing players have expanded their operations. By 2015, the production capacity is expected by industry analysts to grow and reach around 1200 million meters.

An interesting fact is that during the past 12 to 18 months, there has been a notable decline in the production of denim fabrics in US and China, and hence supplies from these countries have been declining. As a result, approximately 150-200 million meters of exports are expected to be added to the Indian Denim industry.

POLICY AND REGULATORY FRAMEWORK

The Ministry of Textiles is responsible for policy formulation, planning, development, export promotions and trade regulation in the textile sector. This includes all natural and manmade cellulosic fiber used to make textiles, clothing and handicrafts. National Textile Policy, 2000 – the policy was introduced for the overall development of the textiles industry. The key areas of focus include:

- Technological upgrades
- Enhancement of productivity
- Quality consciousness
- Strengthening of raw material base
- Product diversification
- Increase in exports and innovative marketing strategies
- Financing arrangements
- Increasing employment opportunities
- Integrated human resource development

Technology Mission on Cotton (TMC), 2000 – the scheme was introduced to address concerns around cotton production and processing sectors and to place the cotton economy on a second footing. It was initially to be phased out at the end of the Tenth Five Year Plan (2002-07). However, the scheme's Mini Mission was extended into the Eleventh Plan for two years to accomplish targets.

FINANCIAL PERFORMANCE

During the year under review, the turnover achieved was Rs. 703.12 crores as compared to previous years turnover of Rs. 573.84 crores registering a growth of 22.52% over the previous year. The profit before depreciation and taxes stood at Rs. 76.68 crores for the year 2012-13 as compared to Rs. 55.29 crores during the year 2011-12 showing 38.69% over the previous year. The net profit for the year 2012-13 rose to Rs. 31.05 crores as compared to profit of Rs.18.79 crores over the previous year. The cash profit during the year under review was achieved at Rs. 71.97 crores evidenced by effective management internal control, optimum utilization of resources and dedicated hard work of human resources. This is yet another successful period for Nandan Exim Limited which resulted in several key achievements.

INTERNAL CONTROL SYSTEMS

The Company has in place adequate internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance of corporate policies.

The Company has a well defined delegation of power with authority limits for approving revenue as well as expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down. The Company uses an ERP system to record data for accounting and management information purposes which connects to different locations for efficient exchange of information. It has continued its efforts to align all its processes and controls with best practices. The audit is based on an internal audit plan which is reviewed every year in consultation with the Statutory Auditors and the Audit Committee. The conduct of internal audit is oriented towards the review of internal controls and risks in Company's operations such as accounting & finance, employee engagement, travel, insurance, etc.

The Company has an Audit Committee, the details of which have been provided in the Corporate Governance Report.

The Audit Committee reviews audit reports submitted by the internal auditors. Suggestions for improvement are considered and Audit Committee follows up on corrective action. The Audit Committee also meets the Company's Statutory Auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the Company and keeps the Board of Directors informed of its major observations periodically.

ENVIRONMENT, HEALTH & SAFETY (EHS)

Your Company conducts its business operations in a safe and environmentally responsible manner that protects the employees, contractors, customers and stakeholders. Your Company's sharp focus on EHS ensures maintaining high standards of safety, health and environment care at all our operating locations. Compliance with relevant regulations and effective management of these issues is an integral part of the Company's operating philosophy. EHS is managed and controlled in your Company through an integrated EHS Management System providing continuous improvement in the EHS performance. EHS Management System is based on an "EHS Roadmap", which has been developed with the objective that it will become a tool for self-assessment as well as formal assessments and a management tool to evaluate the performance of EHS, Security and Loss prevention management for all its sites and identify action points for improvement.

Established systems and procedures are constantly updated for improvement to achieve higher standards of safety, occupational health and environment protection.

The location of your Company has well equipped health care facilities / arrangements. The Company enables awareness programs on EHS for creating and maintaining awareness among employees about safety and health related issues. In India, various initiatives such as training programs on safety issues and mock drills are conducted in all the locations to increase EHS awareness amongst the employees. The extensive EHS specific training modules covering various target participants help in upgrading EHS skills and knowledge throughout the Company.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Our professionals are our most important assets. We believe that the quality and level of service that our professionals deliver is amongst the best in the industry. We are committed to remain among the industry's leading employers. As at March 2013, the Group employed approximately 20,000 employees including trainees. Our culture and reputation as a prominent name in the industry enables us to recruit and retain some of the best available talent in the market. The key elements that define our culture include recruitment, training, development and compensation.

RISK MANAGEMENT

The risk is attached to every thing including business. The factors affecting the risk differ from business to business. The Company, however, foresees various risks from competitors, unorganized sectors operating in the industry, fluctuation in foreign exchange rate, interest rate, commercial risk, changes in government regulations related to textile policy and decision of the management about the business which may effect over all profitability of the Company. However, the Company has framed such network so as to have minimum effect and to overcome such risk on the business of the Company.

RESEARCH & DEVELOPMENT, TECHNOLOGY DEVELOPMENT AND INNOVATION

Research & development (R & D), technology development and innovation continues to be an integral part of Company's agenda for achieving growth, business, profitability and sustainability. The Company continues to support improvements in manufacturing operations through the implementation of advanced process control. In refining R & D, the major technology focus is on maximizing desired product yields, enhancing recovery of higher value products and on increasing efficiency and reliability by using advanced tools. The Company will continue to create business value and competitive advantage by applying the right technology at right cost and at the right time to meet the current and future needs of the Company.

CAUTIONARY STATEMENT

Certain statements made in the management discussion and analysis report relating to Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to the Company's operations. These include climatic and economic conditions, affecting demand and supply, government regulations and taxation, natural calamities over which the Company does not have any direct control.

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance:

Effective corporate governance practices constitute the strong foundations on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and society at large.

Strong leadership and effective corporate governance practices have been the Company's hallmark and it has inherited these from the Chiripal culture and ethos. The Company continues to focus its resources, strengths and strategies to achieve its vision of becoming a truly global leader in denim market while upholding the core values of excellence, integrity, responsibility, unity and understanding, which are fundamental to the Chiripal Group of Companies. The Company believes in adopting the 'best practices' that are followed in the area of corporate governance.

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and other Directors on the Board. The Code is available on the Company's website. The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchanges with regard to corporate governance.

Board of Directors –

Composition of the Board:

- (i) As on March 31, 2013, the Company has five Directors out of which three are Non-Executive and Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges. None of the Non-Executive Directors is responsible for the day-to-day affairs of the Company.
- (ii) None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the public companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2013 have been made by the Directors.
- (iii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies are given herein below. Other directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and of companies incorporated outside India. Chairmanships / Memberships of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

Board Support

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board for consideration and preparation of the agenda as well as convening of the Board Meetings. The Company Secretary attends all the meetings of the Board and its Committees, advises / assures the Board on compliance and Governance principles and ensures appropriate recording of minutes of the meetings. As per Board's decision, the Company Secretary intimates the action points arising out of the deliberations during the meeting to the concerned functional heads who in turn provide updates to the Board at the next meeting.

Number of Board Meetings held:

Minimum four prescheduled Board meetings are held every year. Additional meetings are held to address specific needs of the Company. In case of any exigency/ emergency, resolutions are passed by circulation. The Board of Directors met four times during the year on May 14, 2012; August 13, 2012; October 31, 2012 and February 6, 2013. The maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

Board Procedure:

- The Company holds minimum of four Board Meetings every year which are mainly pre-scheduled after the end of each financial quarter. Apart from the four pre-scheduled Board Meetings, additional Board Meetings will be convened by giving appropriate notice at any time to address the specific needs of the Company. The Board may also approve permitted urgent matters by passing resolutions by circular.
- The meetings are usually held at the Company's Registered Office / Corporate Office located at Ahmedabad.
- All divisions / departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussions / approval / decision in the Board / Committee Meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board Meetings.
- The Board is given presentation covering Finance, Sales and Marketing and the major business segments and operation of the Company before taking on record the results of the Company for the preceding financial quarter at each of the pre-scheduled Board Meeting. The Board's annual agenda includes recommending dividend keeping in view the dividend policy, determining directors who shall retire by rotation and recommending appointment of Directors / Auditors, authentication of annual accounts and approving Directors Report, long term strategic plan for the Company and the principle issues that the Company expects to face in the future. Board Meetings also note and review functions of its Committees.
- The Chairman of the Board and the Company Secretary in consultation with other concerned persons in the senior management finalize the agenda papers for the Board Meetings.

Code of Conduct:

In compliance with Clause 49 of the Listing Agreement, the Board of Directors of the Company have laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company. The Code of Conduct enjoins that each individual in the organization must know and respect existing laws, accept and provide appropriate professional view, and be upright in his conduct and observe corporate discipline.

All Board members and senior management personnel affirm compliance with the Code of Conduct annually. The Chief Executive Officer (C.E.O.) of the Company has given a declaration to the Company that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code.

Category and Attendance of Directors:

Name of Directors	Status i.e. Executive, Non-Executive and Independent	Numbers of Board Meetings.		Number of Membership in other Boards or other Committees as a Member or Chairman		
		Held during the year	Attended During the Year	Other Directorship including NEL	Committee*	Whether attended last AGM
Shri Vedprakash D. Chiripal	Promoter, Executive (Chairman)	4	4	4	4	Yes
Shri Brijmohan D. Chiripal	Promoter - Executive Managing Director	4	4	4	—	Yes
Shri Gautam C. Gandhi	Non – Executive Independent Director	4	4	1	2	Yes
Shri Ambalal C. Patel	Non-Executive Independent Director	4	4	11	9	Yes
Shri. Tara Sankar Bhattacharya@	Non-Executive Director and Independent Director	4	0	10	3	No

* Audit Committee and Shareholders’ / Investors’ Grievance Committee have been considered for the Committee positions.

@ Shri. Tara Sankar Bhattacharya has been appointed on the Board w.e.f. February 6, 2013.

Shri.Vedprakash D. Chiripal is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, has offered himself for reappointment. Relevant brief details pertaining to him has been provided as part of the Notice of Annual General Meeting.

Shareholding of Non-Executive Independent Directors as on March 31, 2013 are as under:

Name	No. of Shares held	%
Shri Ambalal C. Patel	1000	0.002
Shri Gautam C. Gandhi	Nil	Nil
Shri. Tara Sankar Bhattacharya	Nil	Nil

2) COMMITTEES OF THE BOARD:

AUDIT COMMITTEE:

A. Audit committee

- i. The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the Stock Exchanges read with Section 292A of the Companies Act, 1956 (“Act”).
- ii. The terms of reference of the Audit Committee are broadly as under:
 - Overview of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
 - Recommending the appointment and removal of external and internal auditors, fixation of audit fees and also approval for payment for any other services.
 - Discussion with the external and internal auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - Reviewing the financial statements and draft audit report, including the quarterly/half-yearly financial information.
 - Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - any changes in accounting policies and practices;
 - major accounting entries based on exercise of judgment by management;
 - qualifications in draft audit report;

- significant adjustments arising out of audit;
 - the going concern assumption;
 - compliance with accounting standards;
 - compliance with stock exchange and legal requirements concerning financial statements;
 - any related party transactions as per Accounting Standard 18.
 - Reviewing the Company's financial and risk management policies.
 - Disclosure of contingent liabilities.
 - Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
 - Reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
 - Discussion with internal auditors of any significant findings and follow-up thereon.
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 - Looking into the reasons for substantial defaults in payments to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors.
- iii. The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.
- iv. The previous Annual General Meeting (AGM) of the Company was held on September 26, 2012 and was attended by Shri. Ambalal Patel, Chairman of the Audit Committee.
- v. The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name of Director and Designation	Category / Status of Directorship	Meetings Attended
Shri. Ambalal C. Patel – Chairman	Non – Executive Independent Director	4
Shri. Vedprakash D. Chiripal – Member	Executive Promoter Director	4
Shri. Gautam C. Gandhi - Member	Non – Executive Independent Director	4

- vi. Four Audit Committee meetings were held during the year. The dates on which the said meetings were held are as follows:
- | | | | |
|--------------|-----------------|------------------|------------------|
| May 14, 2012 | August 13, 2012 | October 31, 2012 | February 6, 2013 |
|--------------|-----------------|------------------|------------------|
- The necessary quorum was present for all the meetings.

REMUNERATION COMMITTEE

- i. The Company has a Remuneration Committee of Directors.
- ii. The Board terms of reference of the Remuneration Committee are as under:
- To approve the annual remuneration plan of the Company;
 - To approve the remuneration and commission/incentive payable to the Managing Director for each financial year;
 - To approve the remuneration payable to the senior personnel of the Company for each financial year;
 - Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/approve.
- iii. The Company does not have any Employee Stock Option scheme.
- iv. Remuneration Policy:

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) to its Managing Director. Annual increments are decided by the Remuneration Committee within the salary scale approved by the members and are effective April 1, each year based on the performance of the Company as well as that of the personnel.

During the year 2012-13, the Company paid sitting fees of Rs.5,000 per meeting to its Non-Executive Directors for attending meetings of the Board and meetings of committee of the Board. The Company also reimburses the out-of-pocket expenses incurred by the directors for attending the meetings.

During the year under review, the remuneration committee has not met and no meeting were held.

- Composition of Remuneration Committee

Sr. No	Name of the Director	No. of meeting		Nature of Directorship
		held	attended	
1.	Shri Ambalal C. Patel –Chairman	0	0	Non-Executive, Independent
2.	Shri Vedprakash D. Chiripal - Member	0	0	Executive, Promoter group

- Details of remuneration paid to directors for the year ended on March 31, 2013 are as follows:

Name of Director	Sitting Fees	Salaries & Perquisites	Commission (Rs)	Total (Rs)
Shri Brijmohan D. Chiripal	—	67,20,000	—	67,20,000
Shri Vedprakash D. Chiripal	—	—	—	—
Shri Gautam C. Gandhi	60,000	—	—	60,000
Shri Ambalal C. Patel	60,000	—	—	60,000

- Details of Shareholding of Directors as at March 31, 2013

Name of Directors	No. of shares held as on 31.03.2013	% of holding
Shri. Brijmohan D. Chiripal	27,80,000	6.10 %
Shri. Vedprakash D. Chiripal	8,20,000	1.80 %
Shri. Gautam C. Gandhi	Nil	Nil
Shri. Ambalal C. Patel	1,000	0.002%

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

1. The Company has constituted an investors relations committee comprising of 3 directors with chairman being a non-executive, non-promoter director.
2. The Committee looks into redressal of shareholders' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividend, etc. The Committee reviews the performance and recommends measures for overall improvement in quality of investor services.

- Composition of Shareholders / Investors Relations Committee

Sr. No.	Name of Director	Nature of Directorship	No. of Meetings Attended
1.	Shri. Gautam C. Gandhi - Chairman	Non-Executive, Independent Director	4
2.	Shri. Vedprakash D. Chiripal - Member	Executive, Promoter Director	4
3.	Shri. Ambalal C. Patel - Member	Non-Executive, Independent Director	4

During the year, the Company under review 4 meetings were held on 14.05.2012, 13.08.2012, 31.10.2012 and 06.02.2013.

During the year, the company has not received any complaints and no complaints are pending. The status of complaints is periodically reported to the Committee.

The Equity Shares of the Company are compulsorily traded in electronic form on the stock exchanges and hence the handling of physical transfer of shares is minimal. The Board has delegated powers for approving transfer and transmission of shares and issue of duplicate shares to Share Transfer Committee. There was no pending transfer of equity shares as at March 31, 2013.

SHARE TRANSFER SYSTEM:

Datamatics Financial Services Limited is the Registrar and Transfer Agent of the Company. All share transfer and related operations are conducted by Datamatics, which is registered with SEBI. The Company has a Shareholders'/Investors' Grievance Committee for redressing the complaints/queries of shareholders and investors. The shares lodged for physical transfer / transmission / transposition / rematerialisation are registered within the prescribed time period if the documents are complete in all respects.

SUBSIDIARY COMPANY:

The Company has no subsidiary company.

DISCLOSURES:

- a. Basis of Related Party Transaction:

During the financial year 2012-2013, there were no materially significant transactions entered into between the Company and its promoters, directors or the management, subsidiaries or relatives, etc. that may have potential

conflict with the interest of the Company at large. For significant related party transactions refer to point no. 39 of the Notes on Accounts contained in financial statements in this Annual Report.

- b. Disclosure on accounting treatment in preparation of financial statement:
The company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.
- c. Details of non-compliance by the Company:
The Company has complied with all the requirements of regulatory authorities. No penalty / structures were imposed on the Company by Stock Exchange or SEBI or any statutory on any matter related to capital market during the last three years.
- d. Remuneration of Directors:
The disclosure on remuneration of Directors, pecuniary relationship or transactions with non-executive Directors, details of notice period, number of shares held by Directors, etc. have been provided earlier under the head 'Remuneration Committee' in this Corporate Governance Report.
- e. Shareholders:
The information of Directors who are proposed to be appointed / re-appointed have been provided in Annexure to the notice of Annual General Meeting.

MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report have been separately given in this Annual Report as required under Clause 49 of the Listing Agreement.

DETAILS ON GENERAL BODY MEETINGS:

Location, date and time of General Meetings held during the last 3 years:

Annual General Meeting (AGM):

AGM / EGM	Date	Venue	Time
18 th AGM	26 th September, 2012	Survey No. 198/1, 203/2, SaijpurGopalpur, Pirana Road, Piplej, Ahmedabad – 382 405.	3.00 p.m.
17 th AGM	23 rd September, 2011	Survey No. 198/1, 203/2, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405.	3.30 p.m.
16 th AGM	17 th September, 2010	Survey No. 198/1, 203/2, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405.	3.30 p.m.

Note : In the AGM held on 23rd September, 2011, 2 Special resolutions were passed relating to consolidation of share capital and re-appointment of Managing Director.

During the year ended March 31, 2013 there have been no resolutions passed by the Company through Postal Ballot.

COMPLIANCE:

There has been no non-compliance of the provisions, requirements of Stock Exchanges, SEBI. No penalties / strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter relating to capital market.

POSTAL BALLOT:

The Company has not passed any resolution through postal ballot during the year under reference, none of the resolutions proposed for the ensuing Annual General Meeting need to be passed through Postal Ballot.

C.E.O. / C.F.O. CERTIFICATION:

The Chief Executive Officer (CEO) has certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO / CFO certification for the financial year ended March 31, 2013.

MEANS OF COMMUNICATION:

The Company intimates un-audited/audited financial results to the Stock Exchanges immediately after the Board Meetings at which they are approved. The results of the Company are also published in at least one national and one regional newspaper having wide circulation. The financial results are also displayed on the Company's website: www.chiripalgroup.com and posted on the website of the Stock Exchanges. The shareholding pattern, announcements, board meeting, corporate action and corporate governance report are also filed electronically on NSE Electronic Application Processing System (NEAPS) and BSE Listing Portal. Further, as a good Corporate Governance Practice, the Company sends its quarterly financial results to shareholders through email immediately after they are approved by the Board and disseminated to the Stock Exchanges.

New Releases, Analyst Presentation, etc.

The quarterly and annual results are generally published in Indian Express, Economic Times, Financial Express and Free Press. Official press releases, presentations made to media, etc. are displayed on the Company's website: www.chiripalgroup.com.

Website

The Company's website: www.chiripalgroup.com contains a separate dedicated section 'Investor Relations' where shareholders information is available. The entire Annual Report, shareholding pattern, press release, quarterly reports and corporate governance report is also available on the website. Nomination Form is also available on the website.

GENERAL INFORMATION FOR SHAREHOLDERS

- **ANNUAL GENERAL MEETING**
Date & Time 29/08/2013 at 3.00 p.m.
Venue Survey No. 198/1, 203/2, SaijpurGopalpur, Pirana Road, Piplej, Ahmedabad – 382 405
(tentative & subject to change)
- **Calender Year**
(a) First Quarter Results First week of August 2013
(b) Second Quarter Results First week of November 2013
(c) Third Quarter Results First week of February 2014
(d) Fourth Quarter Results First week of May 2014
- **Date of Book Closure** Friday, August 23, 2013 to Thursday, August 29, 2013 (both days inclusive)
- **Dividend Payment Date** September 5, 2013
- **Listing on Stock Exchange** The Bombay Stock Exchange Ltd. (BSE), Mumbai
The National Stock Exchange of India Limited (NSE), Mumbai
The annual listing fee for the financial year 2013-14 has been paid to BSE and NSE. The Company has also paid annual custody/issuer fee for the year 2013-14 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
- **Stock Code**
1. Bombay Stock Exchange Limited 532641
2. The National Stock Exchange of India NANDANEXIM
- **ISIN No. for NSDL and CDSL** INE 875G01030
- **MARKET PRICE DATA:**

	BSE		NSE	
	HIGH	LOW	HIGH	LOW
April, 2012	24.40	20.00	25.40	20.00
May, 2012	21.50	18.55	21.35	19.00
June, 2012	23.55	20.00	23.50	20.00
July, 2012	26.00	21.00	26.35	21.00
August, 2012	29.45	24.75	27.40	24.00
September, 2012	31.40	25.25	31.90	24.40
October, 2012	31.45	26.75	31.90	27.00
November, 2012	30.90	28.75	31.00	28.35
December, 2012	31.50	25.00	31.00	26.50
January, 2013	29.55	28.00	29.50	28.00
February, 2013	31.80	26.10	32.80	28.00
March, 2013	29.25	24.60	29.55	24.75

The Equity Shares of the Company has been listed at Bombay Stock Exchange Limited w.e.f. 13.06.2005 and National Stock Exchange Of India Limited w.e.f. 29.12.2005.

• **Distribution of Shareholding as of March 31, 2013:**

Sr. No.	Shares Range		Shares	% To Capital	No Of Holders	% To Total Holders
	From	To				
1	1	500	4461484	9.80	36963	90.72
2	501	1000	1669354	3.67	2136	5.24
3	1001	2000	1309875	2.88	886	2.17
4	2001	3000	722248	1.59	285	0.70
5	3001	4000	334130	0.73	94	0.23
6	4001	5000	481477	1.06	102	0.25
7	5001	10000	1162996	2.55	153	0.38
8	10001	50000	1843112	4.05	99	0.24
9	50001	9999999999	33564380	73.69	27	0.07
	TOTAL		45549056	100.00	40745	100.00

- **Shareholding Pattern (As of March 31, 2013)**

Sr No.	Category	No. of Shares	% to Share Capital
A	Promoters Holding		
	Individuals / HUF	6354302	13.95
	Bodies Corporate	20055067	44.03
B	Non Promoter Holding		
	Central / State Government	5500	0.01
	Foreign Institutional Investors (FII)	1900000	4.17
	Bodies Corporate	5641305	12.39
	Indian Public	11373547	24.97
	Any Other (Non-Resident)	219335	0.48
	Total	45549056	100.00

- **DEMATERIALIZATION OF SHARES**

Nandan Exim Limited's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories of India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2013, 99.97% shares were held in dematerialized form.

Not issued

- Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion dates and likely impact on equity
- Plant Locations
- Registrar and Share Transfer Agent
- Address for correspondence should be addressed to

Survey No. 198/1, 203/2, SaijpurGopalpur, Pirana Road, Piplej, Ahmedabad – 382 405

Datamatics Financial Services Limited
Plot No. B-5, Part B, Cross Lane, MIDC, Andheri (East), Mumbai – 400 009.

The Company Secretary
NANDAN EXIM LIMITED
Chiripal House, Shivranjani Crossroads, Satellite, Ahmedabad – 380 015.

Phone: 079-26734660, Fax: 079-26768656
Email: cs.nel@chiripalgroup.com

Datamatics Financial Services Limited
Unit: Nandan Exim Limited
Plot No. B-5, Part B, Cross Lane, MIDC, Andheri (East), Mumbai – 400 093.
Phone: 022-66712001-06, Fax: 022-66712011
Email: corpequity@dfssl.com

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants.

POLICY FOR PREVENTION OF INSIDER TRADING:

In compliance with SEBI regulation on Insider Trading, the Company has framed comprehensive Code of Conduct for prevention of Insider Trading for its designated employees. The policy laid down guidelines, which advice them on procedures to be followed and disclosure to be made while dealing with shares of the Company and cautioning them on consequences of violations. Adequate disclosures of information is made to the public through stock exchanges, media, web-sites, etc. to enable investors to take proper decisions with regard to the Company's shares.

C.E.O.'s DECLARATION ON CODE OF CONDUCT

To,
The Members
Nandan Exim Limited
Ahmedabad.

I, Deepak J. Chiripal, Chief Executive Officer (C.E.O.) of the Company declare that all the Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct.

For NANDAN EXIM LIMITED

Deepak J. Chiripal
C.E.O.

Place : Ahmedabad
Date : May 30, 2013

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social responsibility is a form of corporate self- regulation integrated into a business model. CSR is about capacity building for sustainable livelihoods. With the same objectives, the Chiripal group gave birth to the Chiripal charitable trust. The CSR activities of the group are guided by the vision and philosophy of the Chairman, Shri. Vedprakash D. Chiripal, who got the inspiration from his parents. He enunciated the value of trusteeship in business and laid strong foundation for its ethical and value based functioning.

As a responsible “Corporate Citizen”, the group is engaged in various social welfare activities. Through its social commitment, it intends to promote initiatives, for the education and health awareness amongst the weaker sections of the society. Every year on Managing Directors’ birthday, the annual blood donation is organized with the support of Prathama Blood Center, at the corporate office and all over the group units, where thousands of units of blood is collected, through voluntary donation and active participation of our staff members and workers. In addition to this, as a regular practice, the trust and the companies run employee welfare schemes to help the employees and their families.

Every year, as the pilgrims of Dakor Temple pass through Dakor, the trust organizes a rest camp for them. Hot water bath, massages and meals are served to over 10-12 lakh pilgrims.

“Education is the most powerful weapon which you can use to change the world” – Nelson Mandela. The group agrees with Nelson Mandela and is doing its bit by setting up the Shanti Educational Initiatives Limited (SEIL), to bring in the much required change in the educational scenario.

With the conception of SEIL, the group has made the necessary developments in the educational field, starting from pre-school education, going right up to post graduation. In 2009, it launched Shanti Asiatic School followed by Shanti Juniors, a chain of pre-schools. It went on to establish Shanti Business School in the field of management studies and further established Shanti Communication School, in the field of communication, media and business studies. SEIL also established Hopskotch, a premium pre-school in order to bring elite education to India and Energym which is an after-school program to enhance the multiple-intelligence of students between the age group of 4-14. In 2013, SEIL is introducing a multifaceted Undergraduate Program with 70+ specializations and aims at imparting an integrated knowledge of BBA+BCA+BCom domains altogether, which is the first of its kind in India.

Co-operating and aligning its belief of Corporate Citizenship, Shanti Business School continuously engages in doing their bit for the society. The Students and Professors of Shanti Business School celebrated the ECO day by planting more than 25 trees and decided to take care of each plant so as to provide a long term valuable gift to the society. The students HR club at SBS collected clothes which also included bed sheets, rugs, blankets and non-perishable eatables and distributed it to the needy.

With an aim to create awareness amongst students and a better society, Shanti Asiatic School organised an Anti-Drug workshop for its X and XII students on June 26, 2013 which is the International Anti-Drug Day. Also in order to ensure that the students nurture compassion, the School organised a drive and raised money for the Uttarakhand Flood Victims. Under the campaign “Prayas” that is the school’s way of engaging its students in doing their bit for the society, the students visited an Old Age Home and interacted with the elderly.

Further, the group engages itself in sponsoring schemes for under-privileged children. Also, it donates and helps them for their medical and other educational requirements. With the same intention, the group has also provided employment to a lot of villagers of Shela, who live around its educational institutions. Continuously striving and making its humble contributions to the society and its betterment, the Chiripal Group stands as a proud corporate citizen.

AUDITORS' CERTIFICATE ON REPORT OF CORPORATE GOVERNANCE

To the Members,
Nandan Exim Limited,
Ahmedabad.

We have examined the compliance of conditions of Corporate Governance by Nandan Exim Limited for the year ended March 31, 2013 as stipulated in Clause 49 of the Listing Agreement entered into with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and the representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As per the records of the Company and certificate issued by Registrar, no investor grievances are pending for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR J. T. SHAH & COMPANY
Chartered Accountants
(FRN No. 109616W)

(J. T. SHAH)
Partner

[M. No. 3983]

Place : Ahmedabad
Date : 30/05/2013

INDEPENDENT AUDITORS' REPORT

To
The Members of
NANDAN EXIM LIMITED
Ahmedabad

Report on the Financial Statements

We have audited the accompanying financial statements of **NANDAN EXIM LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- ii In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

FOR J. T. SHAH & COMPANY
Chartered Accountants
[FRN No. 109616W]

(J. T. SHAH)
Partner
[M. No. 3983]

Place : Ahmedabad
Date : 30/05/2013

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of "Report on Other Legal and regulatory Requirements" of our report of even date.)

1. In respect of Fixed Assets:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b. As per the information and explanations given to us, the management at reasonable intervals during the year in accordance with a programme of physical verification has physically verified the fixed assets and no material discrepancies were noticed on such verification as compared to the records.
- c. As per information and explanation given to us, the disposal of assets during the year would not affect the going concern status of the Company.

2. In respect of its Inventories :

- a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. On the basis of our examination of the records of inventory, we are of opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and books recorded were not material.

3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

- a. During the year under audit, the Company has not taken any loan, secured or unsecured from Companies, Firm or Other Parties covered in the register maintained under section 301 of the Companies Act, 1956 hence clause 4 (iii) (a), (iii) (b), (iii) (c) and (iii) (d) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- b. During the year under audit, the Company has not granted any loans, secured or unsecured, to the companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 hence clause 4 (iii) (e), (iii) (f) and (iii) (g) of the Companies (Auditor's Report) Order, 2003 are not applicable.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.

5. In respect of contracts or arrangements covered under Section 301 of the Companies Act, 1956:

- a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act, that need to be entered into the register maintained under section 301 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 of the Act, in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from public.

7. In our Opinion, the Company has internal audit system commensurate with size and nature of its business.

8. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Accounting Records) Rule, 2011 prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prime facie the prescribed accounts and records have been maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

9. In respect of Statutory Dues:

- a. According to the records of the company, by and large the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Investor education and protection fund, Employee's state Insurance, excise duty, custom duty, Tax deducted at Source, Tax Collected at Source, Professional tax, service tax, cess, Income tax and other Statutory dues applicable to it.
- b. According to the information and explanation given to us, no undisputed amount payable in respect of Income tax, sales tax, custom duty, Service tax, excise duty and other material statutory due in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.

- c. On the basis of our examination of the records, following disputed statutory dues have not been deposited with the appropriate authorities;

Name of the Statute	Nature of the Dues	Amount In Rs.	Year	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax & Interest	12,16,780	2009-10	Commissioner of Income (Appeal)
	Penalty	17,92,919	2008-09	

10. The company has no accumulated losses and has not incurred any cash losses during the financial year under review or in the immediately preceding financial year.
11. Based on our audit procedure and according to the information & explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to banks.
12. Based on our examination of documents and records and information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual benefit Fund/Societies are not applicable to the Company. Therefore, clause (xiii) of para 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
14. The Company is not dealing or trading in shares, securities, debentures or other investments and hence, the requirements of clause (xiv) of para 4 are not applicable to the Company.
15. According to the information and explanation given to us, the company has given the guarantee for loans taken by others from a bank, the terms & condition there of in our opinion are not prima facie prejudicial to the interest of the company.
16. In our opinion, and according to the information and explanations given to us, on overall basis, the term loans have been applied for the purpose for which they were obtained.
17. On the basis of an overall examination of the Balance Sheet and Cash Flow Statement of the Company, in our opinion and according to the information and explanations given to us, no funds raised on a short term basis have been used for long-term purposes.
18. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
19. During the year, the company has not issued any debentures.
20. During the year, the company has not raised any money by way of public issue.
21. To the best of our knowledge and according to the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

FOR J. T. SHAH & COMPANY
Chartered Accountants
[FRN No. 109616W]

(J. T. SHAH)
Partner
[M. No. 3983]

Place : Ahmedabad
Date : 30/05/2013

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.
EQUITY AND LIABILITIES			
[1] Shareholders' Funds :			
[a] Share Capital	2	455,490,560	455,490,560
[b] Reserves & Surplus	3	1,380,421,017	1,133,837,009
		1,835,911,577	1,589,327,569
[2] Non-Current Liabilities :			
[a] Long Term Borrowings	4	2,650,861,776	1,869,067,091
[b] Deferred Tax Liabilities (Net)	5	175,167,198	202,713,209
[c] Long-term Provisions	6	241,938	Nil
		2,826,270,912	2,071,780,300
[3] Current Liabilities			
[a] Short-term borrowings	7	1,003,890,250	672,686,793
[b] Trade Payables	8	458,042,738	344,734,800
[c] Other Current liabilities	9	585,897,973	518,340,800
[d] Short term Provisions	6	64,367,922	62,828,133
		2,112,198,883	1,598,590,525
Total		6,774,381,372	5,259,698,393
ASSETS :			
[1] Non-Current Assets			
(a) Fixed Assets :			
(i) Tangible Assets	10	3,408,171,738	3,007,205,423
(ii) Intangible Assets	10	3,772,124	6,560,881
(iii) Capital Work in Progress		540,615,277	46,677,893
		3,952,559,139	3,060,444,197
(b) Non-Current Investments	11	3,675,506	2,778,240
(c) Long-term loans and Advances	12	144,122,967	149,073,203
(d) Other non-current assets	13	30,150,000	46,285,461
		4,130,507,612	3,258,581,101
[2] Current Assets			
(a) Inventories	14	1,197,608,926	984,155,221
(b) Trade receivables	15	911,749,629	694,740,027
(c) Cash & Bank Balances	16	199,281,503	155,015,067
(d) Short term Loans and advances	12	335,233,702	167,206,977
		2,643,873,760	2,001,117,292
Total		6,774,381,372	5,259,698,393

Significant Accounting Policies

1

Notes forming part of Financial Statements

2 to 45

As per our report of even date attached herewith

For and on behalf of the Board

For, **J. T. SHAH & COMPANY**

CHARTERED ACCOUNTANTS

(Registration No.109616W)

Vedprakash D. Chiripal
Chairman
Brijmohan D. Chiripal
Managing Director
J.T. SHAH*Partner*

[M.No.3983]

Place : Ahmedabad

Date : 30/05/2013

Purvee D. Roy
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED AS ON 31ST MARCH, 2013

Particulars	Note No.	Year ended 31/03/2013 (Rs.)	Year ended 31/03/2012 (Rs.)
INCOME			
Revenue from Operations	17	7,031,208,492	5,738,386,725
Other Income	18	15,265,195	5,423,957
Total Revenue		7,046,473,687	5,743,810,683
EXPENDITURE			
Cost of materials consumed	19	4,634,349,139	3,440,978,226
Purchase of Stock in Trade	20	620,370,287	578,739,502
Change in Inventories of Finished Goods, Work in Progress and Stock in Trade	21	(375,856,230)	70,565,509
Employee Benefits Expense	22	254,424,941	192,261,286
Finance Costs	23	317,626,811	278,418,920
Depreciation and Amortisation expense	10	409,174,035	332,589,138
Other Expenses	24	828,788,564	629,975,689
Total Expenses		6,688,877,548	5,523,528,270
Profit before exceptional and extraordinary item and Tax		357,596,139	220,282,413
Exceptional Items	25	Nil	42,751,459
Profit before Tax		357,596,139	263,033,871
Less : Tax expense:			
- Current Tax		74,610,000	60,100,000
- Deferred Tax		(27,546,012)	15,000,419
Profit for the year		310,532,150	187,933,452
Basic & diluted earnings per share of face value of Rs.10 each		6.82	4.13

Significant Accounting Policies

1

Notes on Financial Statements

2 to 45

As per our report of even date attached herewith

For and on behalf of the Board

 For, **J. T. SHAH & COMPANY**

 CHARTERED ACCOUNTANTS
(Registration No.109616W)

Vedprakash D. Chiripal
Chairman

Brijmohan D. Chiripal
Managing Director

J.T. SHAH

Partner

[M.No.3983]

Place : Ahmedabad

Date : 30/05/2013

Purvee D. Roy
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2013

	31-03-2013	31-03-2012
A Cash from Operating Activity		
Net Profit Before Tax from Continuing Operation	357,596,139	263,033,871
Non Cash Adjustment to reconcile profit before tax to net cash flows	357,596,139	263,033,871
Depreciation	409,174,035	332,589,138
Bad Debts Written Off	-	1,327,300
(Profit)/Loss on sale of fixed assets (net)	109,465	104,354
(Profit)/Loss From Sale Of Investments	(401,884)	(14,061,859)
Interest Received	(12,983,071)	(4,592,667)
Reversal of Dimunation in Value of Investments	-	(28,689,600)
Loss due to Fire	-	869,675
Provision for doubtful Advances	5,468,701	113,761
Provision for doubtful Deposits	2,254,428	-
Provision for Doubtful debts	6,352,461	(1,231,007)
	409,974,135	286,429,095
Dividend Income	(60,000)	(60,000)
Interest and Finance Charges	317,626,811	278,418,920
	317,566,811	278,358,920
Adjustment for Movements in Working Capital:		
Increase/(decrease) in trade Payable	113,307,938	(112,631,330)
Increase/(decrease) in long-term Provision	241,938	(992,696)
Increase/(decrease) in short-term Provision	(56,054)	(2,609)
Increase/(decrease) in other current liability	55,270,943	19,965,742
Increase/(decrease) in other long-term liability	-	-
Decrease/(increase) in trade receivable	(223,362,059)	(144,724,423)
Decrease/(increase) in inventories	(213,453,705)	229,008,886
Decrease/(increase) in long term loans and advances	-	3,110,871
Decrease/(increase) in short term loans and advances	(158,053,875)	46,699,294
Decrease/(increase) in other current assets	-	-
Decrease/(increase) in other non-current assets	320,273	(320,273)
	(425,784,601)	40,113,462
CASH GENERATED FROM OPERATIONS	659,352,485	867,935,348
Direct Tax paid	(94,945,100)	(54,698,063)
	(94,945,100)	(54,698,063)
NET CASH FLOW FROM OPERATIONS	564,407,385	813,237,284
B Cash flow from investing activities		
Purchase of Fixed Assets (Incl. WIP)	(1,359,536,875)	(761,242,169)
Sale of Fixed Assets	30,834,604	21,416,600
Purchase of non-current Investments	(999,900)	(25,000)
Margin Money Deposit made	(164,694,482)	(258,528,542)
Margin Money Deposit withdrawal	28,713,702	237,396,426
Sale of of non-current Investments	504,518	74,061,859
Interest Received	8,462,571	3,921,390
Dividend Income	60,000	60,000
	(1,456,655,862)	(682,939,437)
NET CASH USED IN INVESTING ACTIVITY	(1,456,655,862)	(682,939,437)
C Cash flow from financing activities		
Long Term Borrowing Taken during the year	1,144,793,601	367,105,491
Long Term Borrowing Paid during the year	(313,917,246)	(297,308,410)
Short Term Borrowing Taken During the year	331,203,457	419,433,000
Short Term Borrowing Paid During the year	-	(240,149,897)
Share Capital	-	(4)
Interest paid	(325,113,845)	(278,186,237)
Share Application money refunded	(70,261)	-
Dividend paid on Equity Shares (Incl. Dividend Tax)	(52,176,761)	-
	784,718,945	(29,106,059)
NET CASH USED IN FINANCING ACTIVITY	784,718,945	(29,106,059)
Net Increase/(Decrease) in cash and cash equivalents	(107,529,531)	101,191,789
Cash and cash equivalent Opening Balance	126,301,364	25,109,576
Cash and cash equivalent Closing Balance	18,771,833	126,301,364
Net Increase/(Decrease) in cash and cash equivalents	(107,529,531)	101,191,789

Notes:

- => The above Cash Flow Statement has been prepared under the Indirect Method set out in Accounting Standard 3 issued by the Institute of Chartered Accountants of India.
- => The Current Account balance includes Rs.779692/- (P.Y. Rs.18201/-) towards Unclaimed dividend and Rs.125704/- (P.Y. Rs.195965/-) towards Unclaimed IPO Refund which have been kept in separate earmarked accounts and no transactions except for the stated purpose are done through such account.

As per our report of even date

For and on behalf of the Board

For, **J. T. SHAH & COMPANY**

CHARTERED ACCOUNTANTS
(Registration No.109616W)

Vedprakash D. Chiripal
Chairman

Brijmohan D. Chiripal
Managing Director

J.T. SHAH

Partner

[M.No.3983]

Place : Ahmedabad

Date : 30/05/2013

Purvee D. Roy
Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**1. SIGNIFICANT ACCOUNTING POLICIES****i) Basis of Preparation of financial Statements**

The financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rule, 2006 issued by the Central Government in exercise of the power conferred under sub-section (I) (a) of section 642 and the relevant provisions of the Companies Act, 1956 (the 'Act'). The accounts are prepared on historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

ii) Use of estimates

In preparing the Company's financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

iii) Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation. All costs including financial costs till commencement of commercial production are capitalized to the cost of qualifying assets. CENVAT credit, Grants, Foreign Exchange Fluctuation claims and EPCG claims on capital goods are accounted for by reducing the cost of capital goods.

When assets are disposed or retired, their cost is removed from the financial statements. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss for the relevant financial year.

iv) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization. All costs, including financing costs in respect of qualifying assets till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalized.

Intangible assets are amortised on a straight – line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management.

The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised as income or expenses in the Statement of Profit and Loss in the year of disposal.

v) Depreciation

Depreciation on fixed assets (excluding intangible assets) of the company is provided on straight-line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, except depreciation on incremental cost arising on account of translation of foreign currency liabilities incurred for the purpose of acquiring fixed assets, which is amortized over the residual life of the respective asset. Intangible assets are amortised on a straight – line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management.

When assets are disposed or retired, their cost is removed from the financial statements. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss for the relevant financial year.

vi) Impairment of Assets

The Management Periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. If an asset is impaired, the company recognizes an impairment loss as the excess of the carrying amount of the asset over the recoverable amount. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amounts.

vii) Investments

Non-Current Investments are stated at cost. Provision is only made to recognize a decline other than temporary, in the value of investments.

viii) Inventories

(a) Inventories are valued at the Lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make sale. Cost in respect of raw materials and Stock in Trade are determined on FIFO basis. Costs in respect of all other Inventories are computed on weighted average basis method. Finished goods and process stock include cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition.

(b) Waste is valued at estimated net realizable value.

ix) Excise duty

In view of the excise duty exemption route adopted by the Company from 13.07.2004 vide notification no. 30/2004 - dated 09.07.2004 of Central Excise Act, 1944 "Exemption to specified goods of public interest", the Company does not have obligation for payment of excise duty from that date.

x) Revenue Recognition

- (a) Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership of the products are transferred to the customers net of rate difference and discount given.
- (b) Dividend on Investment is recognized when the right to receive the payment is established.
- (c) Exports entitlement under the Duty Entitlement Pass Book (DEPB)/FMS scheme are recognized in the Statement of Profit and Loss Account when the right to receive credit as per the terms of scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.
- (d) Subsidy under Textiles Upgradation Fund Scheme (TUFS) is recognized when there is reasonable certainty regarding the realization of the same.

xi) Government Grants & Other Claims

Revenue grant including subsidy / rebates, claims etc., are deducted from the related expenses. Grants relating to fixed assets are adjusted in the cost of such assets as and when the ultimate realizability of such grant etc., are established / realized.

xii) Borrowing costs

Borrowing costs, which are attributable to acquisition or construction of qualifying assets, are capitalized as part of cost of such assets till such assets are ready for its intended use. A qualifying asset is one, which necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue. Capitalization of borrowing cost is suspended when active development is interrupted or completed.

xiii) Leases**Where the Company is the lessee**

Leases, wherein the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

xiv) Employee benefits

- (a) The employee and Company make monthly fixed Contribution to Government of India Employee's Provident fund equal to a specified percentage of the covered employee's salary, Provision for the same is made in the year in which service are rendered by the employees.
- (b) The Liability for Gratuity to employee, which is a defined benefit plan, is determined on the basis of actuarial Valuation based on Projected Unit Credit method. Actuarial gain/Loss in respect of the same is charged to the profit and loss account.
- (c) Short Term benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit and Loss of the year in which the related service is rendered.

xv) Foreign Currency Transactions / Exchange Fluctuation

- (a) Monetary Transactions related to foreign currency are accounted for at the equivalent rupee converted at the rates prevailing at the time of respective transactions and outstanding in respect thereof are translated at period end rates. Exchange difference is charged to the revenue account except arising on account of conversion related to the purchase of fixed asset is adjusted therewith if initial period of buyers credit arrangements is in excess of 360 days.
- (b) Non-monetary foreign currency items are carried at cost.

xvi) Provision for Current Tax & Deferred Tax

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or subsequently enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is virtual certainty that the assets will be realized in future.

xvii) Provisions and Contingencies

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

A disclosure for a contingent liability is made when there is a possible or present obligation that may, but probably will not require an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.

xviii) Earning per Share

Basic earning per share is calculated by dividing net profit after tax for the year attributable to Equity Shareholders of the company by the weighted average number of Equity Shares issued during the year. Diluted earning per share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

2 Share Capital

	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.
[a] Authorised :		
50000000 (Previous Year 500000000) Equity Shares of Rs. 10/- (P.Y. Rs. 10/-) each	500,000,000	500,000,000
[b] Issued, Subscribed & Paid-up Capital :		
45549056 (Previous Year 45549056) Equity Shares of Rs. 10/- (P.Y. Rs. 10/-) each fully paid up	455,490,560	455,490,560
Total	455,490,560	455,490,560

Refer Note Number 41 for details of basic and diluted shares

The company has only One class of shares referred to as Equity shares having face value of Rs.10/-. Each Holder of One share is entitled to One vote per share.

During the year ended on 31st March 2013, the amount per share dividend recognised as distributions to Equity Share holders was Rs.1.20/- (P.Y. Rs. 1/-)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

The details of shareholders holding more than 5% shares as at 31/03/2013 and 31/03/2012 is set out below.

Name of Shareholder	As at 31/03/2013		As at 31/03/2012	
	No. of Shares	% held	No. of Shares	% held
Chiripal Industries Ltd.	11844270	26.00%	11844270	26.00%
Chiripal Exim LLP	7008979	15.39%	7008979	15.39%
Brijmohan D. Chiripal	2780000	6.10%	2780000	6.10%

The Reconciliation of the number of shares outstanding and the amount of share capital as at 31/03/2013 & 31/03/2012 is set out below

Particulars	As at 31/03/2013		As at 31/03/2012	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Shares at the beginning of Face Value of Rs. 10 (P.Y. Rs. 1)	45549056	455,490,560	455490564	455,490,564
Cancellation of Share of Face Value of Rs. 1 on Consolidation of Shares	Nil	Nil	(4)	(4)
Reduction in Number of Shares upon Consolidation of Equity Shares of Rs.1 in to Equity Shares of Rs.10 each	Nil	Nil	(409941504)	Nil
Shares at the end of Face Value of Rs. 10	45549056	455,490,560	45549056	455,490,560

Aggregate No. of 151830188 Shares of Face Value of Rs.1 were (Now reduced to 15183019 Shares of Rs.10) issued in the year 2006-07 as Bonus.

3 Reserves & Surplus

	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.
Security Premium Reserve		
Balance as per last financial Statement	362,833,156	362,833,156
Closing Balance	362,833,156	362,833,156
General Reserve*		
Balance as per last financial Statement	35,512,971	30,812,971
Add. : Transfer from Statement of Profit and Loss	7,800,000	4,700,000
Closing Balance	43,312,971	35,512,971
Surplus in the Statement of Profit and Loss		
Balance as per last financial Statement	735,490,882	605,195,681
Add : Profit for the year	310,532,150	187,933,452
Less: Appropriations		
Transferred to General Reserve	7,800,000	4,700,000
Proposed Dividend	54,658,868	45,549,056
Tax on Proposed Dividend	9,289,275	7,389,196
	71,748,143	57,638,252
Closing Balance	974,274,890	735,490,882
Total	1,380,421,017	1,133,837,009

* General reserve is created out of profit in accordance with Companies (Transfer of Profit to Reserve) Rule, 1975 and is distributable in accordance with Companies(Distribution of dividend out of Reserve) Rules 1975.

4 Long Term Borrowings

	Non-Current		Current	
	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.
Term Loan - From Bank * [Indian rupee loan from Banks]	1,659,206,990	1,573,769,519	359,123,924	310,134,000
Buyers Credit Arrangement **	738,150,417	290,624,637	Nil	Nil
Corporate Loan From Banks ***	249,856,544	Nil	Nil	Nil
Vehicle Loans ****	3,647,825	4,672,934	1,582,992	1,491,246
	2,650,861,776	1,869,067,091	360,706,916	311,625,246
The above amount Includes				
Secured Borrowings	2,650,861,776	1,869,067,091	360,706,916	311,625,246
Unsecured Borrowings	Nil	Nil	Nil	Nil
Amount disclosed under the head 'Other Current Liabilities' (Note No. 9)	Nil	Nil	(360,706,916)	(311,625,246)
Total	2,650,861,776	1,869,067,091	Nil	Nil

Security:

*.**Term Loans & Buyers Credit arrangements under Consortium finance are secured by first charge on the entire Fixed Assets of the company both present and future, second charge on Book Debts, Stock and other Current Assets of the Company and also further guaranteed by personal guarantee of promoter directors.

*** Corporate Loan is secured by subservient charge on fixed and current assets of the company and also by way of pledge of equity shares of the company belonging to directors and personal guarantee of promoter directors.

**** Vehicle Loans are secured by Hypothication of Vehicles.

Interest:

* Term Loans carry an interest rate which shall be State Bank of India rate or the base rate of the respective rupee lender plus the spread, which ever is higher, payable on monthly basis.

** Buyers Credit arrangements for a period upto 180 days carry an interest rate ranging between in case of 6ML Libor+80 basis points to 6ML Libor+350 basis points and for a period more than 180 days carry an interest rate of 12ML Libor+95 basis points.

*** Corporate Loan carry an interest rate 13.50 % p. a. payable on monthly basis.

**** Vehicle Loans carry an interest rate ranging between 10.38% to 12.96% p.a.

Repayment:

- * Term Loan (including Buyer's Credit arrangements) are repayable in Quarterly installments as follows:-
(Amount in Rs.)

Particulars	Upto 1 year	2 to 4 Years	5 to 7 years	More than 8 years
Term Loan Repayment	359,123,924	1,335,888,500	323,318,490	Nil

- ** Buyers Credit arrangement are available for 180 days/360 Days with roll over option upto 3 years from date of sanction and on the completion of the same it will be converted into Term Loans.

- *** Corporate Loan is repayable in Monthly installments as follows:-

(Amount in Rs.)

Particulars	Upto 1 year	2 to 4 Years	5 to 7 years
Corporate Loan Repayment	Nil	249,856,544	—

- **** Vehicle Loans are repayable in following schedule in monthly installments as follows:-

(Amount in Rs.)

Particulars	Upto 1 year	2 to 4 Years	5 to 7 years
Vehicle Loan Repayment	1,582,992	3,558,376	89,450

5 Deferred Tax

	Current	
	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.
Deferred Tax Assets arising out of timing difference relating to :		
Disallowance under Income Tax Act, 1961 (Amount Allowable under Provisions of the Income Tax Act, 1961 in subsequent years)	8,089,034	36,910
Total Deferred Tax Assets	8,089,034	36,910
Deferred Tax Liability arising out of timing difference relating to :		
Difference of Depreciation as per Tax Provision and Company Law	183,256,232	202,750,119
Total Deferred Tax Liability	183,256,232	202,750,119
Net Deferred Tax Liability	175,167,198	202,713,209

6 Provisions

	Non-Current		Current	
	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.
Provisions for employee benefits				
For Gratuity	7,248,115	6,191,388	1,495,351	1,339,116
Less : Plan Assets	(7,006,177)	(6,511,661)	(1,554,014)	(1,341,725)
	241,938	(320,273)	(58,663)	(2,609)
Less:Trasfer to other Non Current Asset (Note No.13)	Nil	320,273	Nil	Nil
	241,938	Nil	(58,663)	(2,609)
Proposed Dividend	Nil	Nil	54,658,868	45,549,056
Provision for Tax on Proposed Dividend	Nil	Nil	9,289,275	7,389,196
Provision for Taxation	Nil	Nil	58,200,000	183,391,280
Less : AdvanceTax and TDS	Nil	Nil	(57,721,558)	(173,498,790)
	Nil	Nil	478,442	9,892,490
Total	241,938	Nil	64,367,922	62,828,133

7 Short-term borrowing

	Current	
	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.
Working Capital Loan from Banks@	1,003,890,250	672,686,793
	1,003,890,250	672,686,793
The above amount Includes		
Secured Borrowings	1,003,890,250	672,686,793
Unsecured Borrowings	Nil	Nil
Total	1,003,890,250	672,686,793

Security :

@ Working Capital loans under consortium finance are secured by first charge on Book Debts, Stocks and other Current Assets and second charge on all the Fixed Assets both present and future of the Company and also further guaranteed by some of the Directors.

8 Trade payables

	Current	
	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.
Micro, Small and Medium Enterprises @	Nil	Nil
Others	458,042,738	344,734,800
@ The Company has not received the required information from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have not been made.		
Total	458,042,738	344,734,800

9 Other Current Liabilities

	As at 31/03/2013	Current As at 31/03/2012
Current Liabilities of long term borrowings (Note No. 4)	360,706,916	311,625,246
Creditors for Capital Goods	72,431,539	102,431,175
Creditors for Expenses	52,884,066	25,818,222
Advance received from customers	52,789,858	35,470,981
Interest accrued and due on borrowings	12,531,806	20,018,840
Salary & Wages Payable	21,529,527	16,308,659
Unclaimed dividend @	779,692	18,201
Unclaimed Share Application Money @	125,704	195,965
Other payables	2,393,787	315,608
Other Statutory dues	9,725,078	6,137,902
Total	585,897,973	518,340,800

@ There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

10 FIXED ASSETS

Cost Of Valuation	TANGIBLE ASSETS							INTANGIBLE ASSETS		
	Land-Lease Hold/ Free Hold	Buildings	Plant & Machinery	Furniture & Fixtures	Computers	Vehicles	Office Equipment	Total Tangible Assets	Licence & Software	Total Intangible Assets
01.04.2011	23,284,992	766,639,242	2,826,973,157	12,231,361	9,129,748	8,452,046	5646818	3,652,357,364	15,526,772	15,526,772
Addition		122,522,171	569,640,518	1,018,043	644,602	7,033,195	1132335	701,990,864	2,289,991	2,289,991
Disposal		(607,960)	(7,319,656)			(364,720)		(8,292,336)		
Other Adjustment*			(17,946,334)					(17,946,334)		
At 31.03.2012	23,284,992	888,553,453	3,371,347,685	13,249,404	9,774,350	15,120,521	6,779,153	4,328,109,558	17,816,763	17,816,763
Addition		111,454,282	717,590,637	1,988,749	1,056,931	1,754,851	4450214	838,295,663		
Disposal		(4,668,170)	(3,622,500)			(301,280)		(8,591,950)		
Other Adjustment*			(23,620,482)					(23,620,482)		
At 31.03.2013	23,284,992	995,339,566	4,061,695,339	15,238,153	10,831,281	16,574,092	11,229,367	5,134,192,789	17,816,763	17,816,763
Depreciation										
01.04.2011		80,732,322	900,184,083	4,271,558	5,779,286	2,874,237	1497749	995,339,235	8,286,504	8,286,504
Change for the year		26,193,214	299,662,471	721,807	1,523,398	1,019,429	292621	329,412,941	3,176,197	3,176,197
Disposal		(36,105)	(817,301)			(120,366)		(973,772)	(206,819)	(206,819)
Other Adjustment			(2,874,269)					(2,874,269)		
At 31.03.2012	-	106,889,431	1,196,154,984	4,993,365	7,302,684	3,773,300	1,790,370	1,320,904,135	11,255,882	11,255,882
Change for the year		30,573,620	372,002,302	821,448	1,122,415	1,472,542	392,952	406,385,278	2,788,757	2,788,757
Disposal		(780,439)	(61,572)			(131,815)		(973,826)		
Other Adjustment					(294,537)			(294,537)		
At 31.03.2013	-	136,682,612	1,568,095,714	5,814,813	8,130,563	5,114,027	2,183,322	1,726,021,051	14,044,639	14,044,639
NET BLOCK										
AS AT 31.3.2012	23,284,992	781,664,022	2,175,192,701	8,256,039	2,471,665	11,347,221	4,988,783	3,007,205,423	6,560,881	6,560,881
AS AT 31.3.2013	23,284,992	858,656,954	2,493,599,624	9,423,340	2,700,718	11,460,065	9,046,045	3,408,171,738	3,772,124	3,772,124

*Note:Other Adjustment includes a sum of Rs. 23,620,482/- (P.Y. Rs. 17,946,334/-) towards various subsidies received, which are hereto decapitalised by the Company.

11 Non current investments

	As at 31/03/2013 Rs.	Current As at 31/03/2012 Rs.			
Investment in Equity Share (Quoted) [Non-Trade]					
(1) 128000 (Previous year 128000) Equity Shares of CIL Nova Petrochemicals Ltd. of Rs. 5/- each.	1,920,000	1,920,000			
(2) 13000 (Previous year 20000) Equity Shares of UCO Bank Ltd.of Rs. 10/- each	190,606	293,240			
	2,110,606	2,213,240			
Investment in Equity Share (Unquoted) [Non-Trade]					
(1) 20250(Previous year 20250) Equity Shares of Chiripal Industries Ltd.of Rs. 10/- each.	90,000	90,000			
(2) 2500 (Previous year Nil) Equity Shares of The Saraswat Co. Op. Bank Ltd. of Rs. 10/- each.	25,000	25,000			
	115,000	115,000			
Investment in Mutual Fund [Non-Trade]					
49990 (Previous year Nil) Units of Union KBC Capital Protection Oriented Fund Series-1-Growth	499,900	Nil			
50000 (Previous year Nil) Units of Union KBC Capital Protection Oriented Fund Series-2-Regular Growth	500,000	Nil			
	999,900	Nil			
Investment in Limited Liability Partnership (LLP)					
Fixed Capital In Nandan Chiripal Energy Corporation LLP	450,000	450,000			
Total	3,675,506	2,778,240			
Aggregate amount of quoted investments	2,110,606	2,213,240			
Market Value of quoted investments	2,913,550	4,147,800			
Aggregate amount of Unquoted investments	115,000	115,000			
Aggregate amount of Mutual Fund	999,900	Nil			
NAV of Mutual Fund	1,006,400	Nil			
Particulars of Limited Liability Partnership Firm namely Nandan Chiripal Energy Corporation LLP in which Company is a Partner.					
Sr No	Name of the Partner	Share in Profit/Loss		Closing Balance of Fixed Capital in Rs.	
		2012-13	2011-12	As at 31/03/2013	As at 31/03/2012
1	Nandan Exim Limited	45%	45%	450,000	450,000
2	Chiripal Industries Limited	55%	55%	550,000	550,000
	Total.....			1,000,000	1,000,000

12 Loans and Advances (Unsecured, Considered good unless stated otherwise)

	Non-Current		Current	
	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.
Capital Advances	142,993,814	145,689,622	Nil	Nil
Security Deposits	3,383,581	3,383,581	Nil	Nil
Less : Provision for Doubtful Deposits	(2,254,428)	Nil	Nil	Nil
	1,129,153	3,383,581	Nil	Nil
Advance recoverable in cash or kind	Nil	Nil	92,728,287	52,244,773
Less : Provision for Doubtful Advance	Nil	Nil	(5,468,701)	Nil
	Nil	Nil	87,259,586	52,244,773
Balance With Govt Authorities	Nil	Nil	210,484,620	100,262,784
Interest Receivable	Nil	Nil	6,173,567	1,653,067
Prepaid Expense	Nil	Nil	18,595,216	11,625,212
Advance Tax and TDS	Nil	Nil	212,392,502	Nil
Less : Provision for Taxation	Nil	Nil	(201471450)	Nil
	Nil	Nil	10,921,052	Nil
Loans to Employees	Nil	Nil	1,913,421	1,534,901
Less : Provision for Doubtful Loan	Nil	Nil	(113,761)	(113,761)
	Nil	Nil	1,799,660	1,421,140
Total	144,122,967	149,073,203	335,233,702	167,206,977

13 Other non-current assets

	Non-Current	
	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.
Margin Money deposit (Transfer from other Bank Balances Note No. 16)	30,150,000	45,965,188
Net Plan Assets against Gratuity Fund (Transfer from Provisions Note No.6)	Nil	320,273
Total	30,150,000	46,285,461

14 Inventories

	Non-Current	
	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.
Raw materials	464,701,676	581,457,452
Work-in-Process	263,350,118	160,495,240
Finished Goods	387,418,054	110,990,210
Stock in Trade	10,358,124	13,784,617
Stores & Spare parts	33,088,755	73,145,333
Fuel	34,953,644	42,266,983
Packing Material	3,738,555	2,015,387
Total	1,197,608,926	984,155,221

15 Trade Receivables (Unsecured, Considerd good unless stated otherwise)

	As at 31/03/2013 Rs.	Current As at 31/03/2012 Rs.
Outstanding for a period exeeding Six Months from the date they are due for Payment		
Considered Good	7,460,027	8,050,235
Considered Doubtful	15,577,320	9,224,859
	23,037,347	17,275,094
Less:Provision for doubtful receivables	15,577,320	9,224,859
	7,460,027	8,050,235
Other Receivables		
Others - Considered Good	904,289,602	686,689,792
Others - Considered Doubtful	Nil	Nil
	904,289,602	686,689,792
Less : Provision for doubtful receivables	Nil	Nil
	904,289,602	686,689,792
Total	911,749,629	694,740,027

16 Cash and Bank Balances

	Non-Current		Current	
	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.
A Cash and cash equivalents				
Cash on hand	Nil	Nil	817,232	1,806,034
Balance With Banks	Nil	Nil	17,954,602	124,495,330
	Nil	Nil	18,771,833	126,301,364
B Other Bank Balance				
Margin Money deposit	30,150,000	45,965,188	180,509,670	28,713,702
	30,150,000	45,965,188	180,509,670	28,713,702
Less Amount disclosed Under Non Current Assets (Note No. 13)	(30,150,000)	(45,965,188)	Nil	Nil
Total	Nil	Nil	199,281,503	155,015,067

The Current Account balance includes Rs.779692/- (P.Y. Rs.18201/-) towards unclaimed dividend and Rs.125704/- (P.Y. Rs.195965/-) towards unclaimed IPO Refund which have been kept in separate earmarked accounts and no transactions except for the stated purpose are done through such account.

17 Revenue from operations

	Year ended 31/03/2013 Rs.	Year ended 31/03/2012 Rs.
Sale of Product	6,819,332,341	5,622,471,171
Other Operating Revenue		
Sale of Waste	109,709,545	74,312,457
Export Incentive	59,139,771	39,943,497
Job Work Income	43,026,835	1,659,600
TOTAL	7,031,208,492	5,738,386,725
Details of Products Sold		
Finished goods sold		
Denim	5,737,863,142	4,921,646,911
Bottom Weight	159,812,809	13,843,026
Others	302,624,949	105,993,658
	6,200,300,901	5,041,483,594
Traded goods sold		
Fabrics	419,936,018	250,009,268
Printed Fabrics	189,827,476	270,553,093
Others	9,267,946	60,425,216
	619,031,440	580,987,577
	6,819,332,341	5,622,471,171

18 Other Income

	Year ended 31/03/2013 Rs.	Year ended 31/03/2012 Rs.
Interest Income On		
Bank Deposits	12,855,613	4,276,960
Others	127,459	315,707
Profit on Sale of Non Current Investment	401,884	Nil
Dividend Income on Non Current Investments	60,000	60,000
Insurance Claim Received	1,029,401	Nil
Miscellaneous Income	790,839	771,290
TOTAL	15,265,195	5,423,957

19 Cost of materials consumed

	Year ended 31/03/2013 Rs.	Year ended 31/03/2012 Rs.
Opening Stock of Raw Material	581,457,452	772,737,707
Purchase	4,517,593,363	3,249,697,971
Closing Stock of Raw Material	464,701,676	581,457,452
	4,634,349,139	3,440,978,226

Details of Raw Material Consumption

Yarn	2,162,920,929	1,446,636,383
Cotton	1,917,106,864	1,590,722,987
Other raw materials	554,321,345	403,618,855
	4,634,349,139	3,440,978,226

Details of Inventory

Yarn	94,670,893	129,480,991
Cotton	309,050,249	369,127,005
Other raw materials	60,980,534	82,849,456
	464,701,676	581,457,452

Details of Value of Imported & Indigenous Raw Material consumed

Particulars	Raw Materials			
	%		Value (Rs.)	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
i Imported	3.06	2.44	141,655,016	83,821,339
ii. Indigenous	96.94	97.56	4,492,694,123	3,357,156,887
	100.00	100.00	4,634,349,139	3,440,978,226

20 Purchase of Stock in Trade

	Year ended 31/03/2013 Rs.	Year ended 31/03/2012 Rs.
Trading Purchase	620,370,287	578,739,502
	620,370,287	578,739,502

Details of Purchase of traded goods

Fabrics	419,934,012	250,004,268
Printed Fabrics	191,270,743	289,053,214
Others	9,165,532	39,682,020
	620,370,287	578,739,502

21 Change in Inventories of Finished Goods, Work in Progress

	Year ended 31/03/2013 Rs.	Year ended 31/03/2012 Rs.
Commencing Stock		
Work-in-process	160,495,240	127,677,405
Finished Goods	110,990,210	220,181,056
Stock in Trade	13,784,617	7,977,115
	285,270,067	355,835,576
Closing Stock		
Work-in-process	263,350,118	160,495,240
Finished Goods	387,418,054	110,990,210
Stock in Trade	10,358,124	13,784,617
	661,126,296	285,270,067
Decretion / (Accretion) to Stock	(375,856,230)	70,565,509
Details of Finished Goods		
Denim	364232883	109264096
Bottom Weight	22230091	771034
Others	955080	955080
	387418054	110990210
Details of Stock in Trade		
Printed Fabrics	10358124	13784617
	10358124	13784617
	397776178	124774827

22 EMPLOYEE BENEFIT EXPENSE

	Year ended 31/03/2013 Rs.	Year ended 31/03/2012 Rs.
Salary, Wages & Bonus	244,144,531	186,673,719
Contribution to Provident Fund & Other Funds	9,015,778	4,629,257
Staff Welfare Expense	1,264,632	958,310
TOTAL	254,424,941	192,261,286

Retirement Benefits

As per revised Accounting Standard 15 "Employees Benefits", the Company has recognized in the financial statements in respects of Employee Benefits Schemes as per Actuarial Valuation as on 31st March, 2013.

1. Amount of Defined Benefit Obligation in respect of Gratuity liability is recognized in the Balance Sheet as follows:

Particulars	2012-13 Rs.	2011-12 Rs.
Present Value of Funded Obligations	8,743,466	7,530,504
Fair value of plan assets	8,560,191	7,853,386
Present value of unfunded obligations	-	-
Unrecognized past service cost	-	-
Net liability/(Asset)	183,275	(322,882)
Amounts in the balance sheet:		
Liabilities	8,743,466	7,530,504
Assets	8,560,191	7,853,386
Net liability/(Asset)	183,275	(322,882)

2. Amount of defined benefit obligation in respect of Gratuity liability is recognized in the profit and Loss account as follows:

Particulars	2012-13 Rs.	2011-12 Rs.
Current service cost	2,929,114	2,427,955
Interest on obligation	602,440	658,467
Expected return on plan assets	667,538	615,242
Net actuarial losses / (gains) recognized in year 2012-2013	(2,357,860)	(3,786,757)
Past service cost	-	-
Losses / (Gains) on curtailments and settlement	-	-
Total included in Employee Benefit	506,157	(1,315,578)

3. Details of changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof in respect of Gratuity are as follows:

Particulars	2012-13 Rs.	2011-12 Rs.
Opening Defined Benefit Obligation on 1-4-2012	7,530,504	8,230,840
Service cost	2,929,114	2,427,955
Interest cost	602,440	658,467
Actuarial losses (gains)	(2,318,592)	(3,786,758)
Losses (gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of Purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	-
Closing defined benefit obligation 31-3-2013	8,743,466	7,530,504

4. Details of changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof in respect of gratuity are as follows:

Particulars	2012-13 Rs.	2011-12 Rs.
Opening fair value of plan assets as on 01-April -12	7,853,386	7,238,144
Expected return	667,538	615,242
Actuarial gains and (losses)	39,267	-
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	-
Closing fair value of plan assets as on 31-March-2013	8,560,191	7,853,386

5. Details of the major categories of plan assets as a percentage of total plan assets in respect of Gratuity are as follows:

Particulars	2012-13 Rs.	2011-12 Rs.
Government of India Securities	-	-
High quality corporate bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Policy of insurance	100%	100%
Bank Balance	-	-

6. Details of Principal actuarial assumptions at the balance sheet date in respect of Gratuity (expressed as weighted averages):

Particulars	2012-13 Rs.	2011-12 Rs.
Discount rate as on 31-03-2013	8.00%	8.00%
Expected return on plan assets at 31-03-2013	8.50%	8.50%
Proportion of employees opting for early retirement	-	-
Annual increase in Salary costs	5.00%	5.00%

7. Details of Defined benefit pension plans for the current and previous periods are as follows:

Particulars	31/03/2013	31/03/2012	31/03/2011	31/03/2010	31/03/2009
Defined Benefit Obligation	8,743,466	7,530,504	8,230,840	6,886,642	5,068,460
Plan assets	8,560,191	7,853,386	7,238,144	-	-
Surplus / (deficit)	(183,275)	322,882	(992,696)	(6,886,642)	(5,068,460)
Experience adjustments on plan liabilities	(2,318,592)	(3,786,758)	(1,882,156)	(429,493)	-
Experience adjustments on plan assets	-	-	7,800	-	-

The expected benefits are based on the same assumptions used to measure Group's gratuity obligations as at 31st March, 2013. The Company is expected to contribute Rs.1,554,014 to gratuity funds for the year ended 31st March, 2014.

23 FINANCE COST

	Year ended 31/03/2013 Rs.	Year ended 31/03/2012 Rs.
Interest to Banks	267,360,297	231,791,992
Other Interest	10,183,032	15,206,437
Other Borrowing Cost	40,083,482	31,420,492
TOTAL	317,626,811	278,418,920

24 OTHER EXPENSES

	Year ended 31/03/2013 Rs.	Year ended 31/03/2012 Rs.
Stores & Spares consumed	133,843,305	51,515,890
Packing material consumed	38,540,996	15,284,532
Electricity & Fuel charges	446,972,088	383,231,619
Labour/ Jobwork and Process Charges	84,880,122	52,720,178
Carriage Inward	25,007,027	14,541,204
Net Foreign Exchange Loss / (Gain)	(44,737,145)	16,664,964
Inspection Charges	6,241,546	5,000,917
REPAIRS TO:		
Building	142,410	36,855
Machinery	171,223	517,196
Others	131,279	197,524
SUB TOTAL	444,912	751,575

24 OTHER EXPENSES [Contd...]

	Year ended 31/03/2013 Rs.	Year ended 31/03/2012 Rs.
Insurance	9,444,634	6,975,879
Rent	12,070,457	3,898,817
Rates & Taxes	3,374,563	2,338,306
Communication	3,387,585	3,319,241
Expense	21,837,426	15,124,509
Professional Fees	8,061,864	4,894,976
AUDITOR'S REMUNERATION:		
Audit Fees	505,620	505,620
For Tax Audit	56,180	56,180
SUB TOTAL	561,800	561,800
Freight, Clearing and Forwarding Expenses	32,360,031	17,960,026
Other Selling Expense	2,464,745	2,792,858
Commission Expense	18,021,862	8,082,138
Donation	2,038,000	15,010,000
Loss on Sales of Fixed Assets	109,465	104,354
Loss due to Fire	2,169,167	2,432,829
Bad debts written off	Nil	1,327,300
Provision/(Reversal of Provision) for doubtful debts	6,352,461	(1,231,007)
Provision for doubtful Advances	5,468,701	Nil
Provision for doubtful Deposits	2,254,428	Nil
Miscellaneous Expense	7,618,525	6,672,784
(It includes Canteen Expense, Director Sitting Fees, General Expense, House Keeping Expense & Stationary and Printing Expense etc)		
TOTAL	828,788,564	629,975,689

Details of Value of Imported & Indigenous Stores, Components & Spare parts consumed

Particulars	Stores, Components & Spare parts			
	%		Value (Rs.)	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
i. Imported	0.99	Nil	1,325,678	18,247,926
ii. Indigenous	99.01	64.58	132,517,627	33,267,964
	100.00	64.58	133,843,305	51,515,890

25 EXCEPTIONAL ITEMS

	Year ended 31/03/2013 Rs.	Year ended 31/03/2012 Rs.
Profit on Sale of Non-Current Investment	Nil	14061859
Reversal of Dimunation in Value of Investment	Nil	28,689,600
TOTAL	Nil	42,751,459

26. CONTINGENT LIABILITIES NOT PROVIDED FOR :

Sr.No.	Particulars	2012-13 Rs.	2011-12 Rs.
a)	Income Tax demands disputed in appeal by the Company/ Income Tax Authorities [Against which the Company has paid amount of Rs.2,392,260/- (Previous Year Nil)]	10,116,480	6,619,706
b)	Excise Demand disputed in appeal by the company /Excise Department	514,545	514,545
c)	Professional Tax	192,912	192,912
d)	Estimated Amount of Contracts remain to be Executed on Capital Account. Advance paid against such Contract is Rs.142,993,814/- (Previous year Rs. 145,689,622/-) which is shown under the head advances.	691,998,064	195,348,153
e)	Corporate guarantee in Favour of IDBI Bank Ltd. to secure Term Loan Sanctioned to M/s Vraj Integrated Textile Park Ltd.	197,000,000	197,000,000
f)	Corporate guarantee in Favour of State Bank of Bikaner and Jaipur. to secure Term Loan Sanctioned to M/s Vraj Integrated Textile Park Ltd.	163,000,000	163,000,000
g)	Bank Guarantee	14,080,200	18,030,684
h)	A letter has been received by the company from service tax Department seeking Clarification on selling Commission.	Amount not Quantifiable	Amount not Quantifiable

27. The Company has imported certain capital equipments at concessional rate of custom duty under "Export Promotion of Capital Goods Scheme". The company has pending export obligation to the extent of Rs.Nil (Previous year Rs. 122,474,103/-) to be fulfilled during the specified period. The liability towards custom duty payable thereon in respect of unfulfilled export obligation as on 31st March, 2013 is Rs.Nil (Previous Year Rs. 15,309,263/-).

28. In accordance with Companies (Accounting Standards) Amendment Rules,2009 the company has exercised the option of adjusting exchange difference arising on reporting of long term foreign currency monetary item related to acquisition of depreciable capital assets in the cost of the assets to be depreciated over the balance life of the assets.

Exchange difference relating to long-term monetary item, in so far related to acquisition of depreciable capital asset, adjusted to the Fixed Assets and amount of Rs. Nil (P.Y.Rs.Nil /-) arising during the current year are adjusted to the cost of the fixed assets and depreciated over the balance life of the fixed assets.

29. Net Foreign Exchange loss of Rs.8,750,619/- (Previous Year gain of Rs. 405,867/-) in respect of Exports included in Other Expenses. Net Foreign exchange loss amounting to Rs.11,597,210/- (Previous Year Loss of Rs. 8,749,821/-) in respect of various other items is included in Other Expenses. Net Foreign exchange gain amounting to Rs 65,084,974/- (Previous Year Loss of Rs. 83,21,010/-) in respect of Fixed Asset is included in Other Expenses.

30. Fuel Cost is net of Fuel Income of Rs.30,538,586/- (P.Y. Rs. .21,596,636/-).

31. Employee Cost is net of Labour reimbursement of Rs.38,289,346/- (P.Y. Rs. 13,452,006/-).

32. In the opinion of the Board of Directors, Current Assets, Loans and Advances have a value on realization at least equal to the amount at which they are stated in Balance sheet. Adequate provisions have been made for all known liabilities except stated otherwise.

33. Balances of some of the Debtors, Creditors, Loans and Advances etc. are subject to confirmation and reconciliation.

34. The Company has entered into certain operating lease agreements and an amount of Rs.12,070,457/- (P.Y. Rs.3,898,817/-) paid under such agreements has been charged to the statement of Profit & Loss. These lease are generally not non cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by such agreements.

35. Borrowing costs attributable to the acquisition or construction of Qualifying Assets amounting to Rs. Nil (Previous Year Rs. Nil) is capitalized by the company net of TUFS interest subsidy Rs. Nil (Previous Year Rs. Nil).

36. During the year, the company has impaired the assets to the tune of Rs. Nil (Previous year Rs. Nil).

37. Interest and Finance Charges are net of interest subsidy received/receivable under TUFS scheme amounting to Rs.98,279,275/- (Previous year Rs. 91,538,988/-).

38. Profit for the year has been arrived at after adjusting following prior period items:-

EXPENSE HEAD	2012-13	2011-12
Employment Cost	(1,455,521)	Nil
Other Expense	(5,130,973)	106,240
Finance Cost	(217,357)	(432,504)
Cost of Materials Consumed	(7,277,351)	Nil
Depreciation and Amortisation Expense	Nil	(206,819)
Total Amount (Rs.)	(14,081,202)	(533,083)

39. Related Party Disclosures:

A) Key Management Personnel:

Sr.No.	Name	Designation
1	Shri Vedprakash Chiripal	Chairman
2	Shri Brijmohan Chiripal	Managing Director
3	Shri Deepak Chiripal	CEO

B) List of Relatives of Key Management Personnel with whom transactions have taken place during the year:

Sr. No.	Name	Nature of Relationship
1	Savtridevi Chiripal	Relative of Chairman
2	Pritidevi Chiripal	Relative of Managing Director
3	Vinita Agrawal	Relative of Chairman
4	Urmiladevi Agrawal	Relative of CEO
5	Jayprakash Agrawal	Relative of Chairman
6	Jyotiprasad Agrawal	Relative of CEO
7	Vedprakash D Chiripal-HUF	Relative of Chairman

C) List of Other Related Parties with whom transactions have taken place during the year:

Sr. No.	Name	Sr. No.	Name
1	Shanti Exports Pvt. Ltd.	8	Chiripal Poly Film Ltd.
2	Chiripal Industries Ltd.	9	Chiripal Charitable Trust
3	Shanti Educational Initiatives Ltd.	10	Chiripal Lifestyle Ltd.
4	Nandan Chiripal Energy Corporation LLP	11	Vishal Fabrics Pvt Ltd.
5	Chiripal Infrastructure Ltd.	12	Nandan Industries Pvt. Ltd.
6	CIL Nova Petrochemicals Ltd.	13	Chiripal Textile Mills Pvt Ltd.
7	Chiripal Exim LLP		

D) Details of Transactions with Related Parties are as follows:

(Amount in Rs.)

Sr. No.	Nature of Transaction	Key Management Personnel		Relatives of Key Management Personnel		Related Parties		Total	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1	Unsecured Loans - Taken								
	Taken during the period	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Repaid during the period	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Balance as at Balance Sheet Date	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Advances Recoverable in Cash or Kind								
	Given during the period	Nil	Nil	Nil	Nil	555,446,455	843,879,779	555,446,455	843,879,779
	Settled during the period	Nil	Nil	Nil	Nil	542,156,455	876,382,779	542,156,455	876,382,779
3	Expenditure								
	Purchase of Goods	Nil	Nil	Nil	Nil	528,085,981	296,273,815	528,085,981	296,273,815
	Rent	Nil	Nil	Nil	Nil	8,784,384	2,029,440	8,784,384	2,029,440
	Donation	Nil	Nil	Nil	Nil	Nil	15,000,000	Nil	15,000,000
	Job Work Charges	Nil	Nil	Nil	Nil	99,066,081	106,263,820	99,066,081	106,263,820
	Maintenance Expense	Nil	Nil	Nil	Nil	174,330	Nil	174,330	Nil
	Electricity Expense	Nil	Nil	Nil	Nil	633,152	Nil	633,152	Nil
4	Income Received								
	Sales	Nil	Nil	Nil	Nil	141,667,443	6,965,859	141,667,443	6,965,859
5	Amount Paid on their Behalf	Nil	Nil	Nil	Nil	819,164	Nil	819,164	Nil
6	Remuneration paid	12,096,000	12,096,000	604,800	604,800	Nil	Nil	12,700,800	12,700,800
7	Dividend Paid	3,730,000	Nil	2,144,302	Nil	19,100,249	Nil	24,974,551	Nil

Note: List of transaction, out of the transactions reported in the above table, where the transactions entered in to with single party exceed the 10% of the total related Party transactions of similar nature are as under:

Particulars	2012-13	2011-12
1. Advance Recoverable in cash or Kind:		
Advance Given:		
- Chiripal Industries Ltd.	434,701,383	822,979,779
Advance Settled:		
- Chiripal Industries Ltd.	434,611,383	855,482,779
2. Expenditure:		
Purchase of Goods:		
- Chiripal Poly Film Ltd.	275,972,160	Nil
- Chiripal Industries Ltd	144,809,422	152,546,990
- Vishal Fabrics Pvt. Ltd.	107,304,344	143,494,735
Rent:		
- Shanti Export Pvt. Ltd.	Nil	264,720
- Shanti Educations Initiatives Ltd	Nil	264,720
- Savitridevi Chiripal	Nil	750,000
- Pritidevi Chiripal	Nil	750,000
- Chiripal Industries Ltd	6,750,000	Nil
Job Work Charges:		
- Chiripal Industries Ltd	94,220,306	106,263,820
Maintenance Expense:		
- Shanti Exports Pvt Ltd	174,330	Nil
Electricity Expense:		
- Shanti Exports Pvt Ltd	633,152	Nil
3. Income Received:		
Sales:		
- Chiripal Industries Ltd	140,653,652	6,815,169
- Vishal Fabrics Pvt Ltd	Nil	126,600
4. Remuneration Paid:		
- Shri Brijmohan Chiripal	6,720,000	6,720,000
- Shri Deepak Chiripal	5,376,000	5,376,000
5. Dividend Paid:		
- Chiripal Textile Mills Pvt Ltd	11,844,270	Nil
- Chiripal Exim LLP	7,008,979	Nil

40. The Company is considered to be engaged in Textile Industry with all activity revolving around this business and accordingly has only one reportable business segment. The company has identified geographical segment as its secondary business segment, the details are as follows:

Secondary Segment Information for the period ended 31st March, 2013

(Amount in Rs.)

Sr.No.	Particulars	India		Rest of World		Total	
		31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
1	Segment Revenues	6,241,224,277	5,171,407,539	789,984,215	566,979,186	7,031,208,492	5,738,386,725
2	Segment Assets	6,700,306,492	5,199,661,886	74,074,880	60,036,507	6,774,381,372	5,259,698,393
3	Capital Expenditure during the period	838,295,663	704,280,855	-	-	838,295,663	704,280,855

41. Earning per Share

Particular	Unit	31/3/2013	31/03/2012
Numerator used for calculating Basic and Diluted Earning per Share (Profit after Tax)	Rs.	310,532,150	187,933,452
Weighted average No. of shares used as denominator for calculating Basic and Diluted	No. of Shares	45549056	45549056
Nominal Value of Share	Rs.	10	10
Basic and Diluted Earning per Share	Rs.	6.82	4.13

42. The figures of the previous year have been regrouped and rearranged wherever considered necessary.

43. C.I.F. Value of Imports:

Particulars	2012-13	2011-12
Raw Materials	144,455,475	98,587,942
Trading Goods	Nil	39,001,123
Stores & Spares	1,325,678	18,247,926
Capital Goods	604,749,220	244,045,674

44. Expenditure In Foreign Currency

Particulars	2012-13	2011-12
i. Traveling Expenses	5,949,568	2,829,781
ii. Foreign Bank Charges	959,789	1,483,111
iii. Commission paid	16,687,552	5,332,539
iv. Exhibition Expense	441,840	698,774
v. Selling Expense	256,339	Nil
vi. Interest on Buyer's Credit & CC Account	14,284,725	4,607,963

45. Earning In Foreign Currencies

Particulars	2012-13	2011-12
FOB Value of Export Goods	773,109,183	552,108,417

Signature to Notes "1" to "45"

As per our report of even date attached herewith
 For, **J. T. SHAH & COMPANY**
 CHARTERED ACCOUNTANTS
 (Registration No.109616W)

J.T. SHAH
 Partner
 [M.No.3983]
 Place : Ahmedabad
 Date : 30/05/2013

For and on behalf of the Board

Vedprakash D. Chiripal **Brijmohan D. Chiripal**
 Chairman Managing Director

Purvee D. Roy
 Company Secretary

NANDAN EXIM LIMITED

Regd. Off.: Survey No. 198/1, 203/2, Saijpur-Gopalpur, Pirana Road, Piplej, Ahmedabad – 382405

ATTENDANCE SLIP

19th ANNUAL GENERAL MEETING – THURSDAY, AUGUST 29, 2013 AT 03.00 P.M.

DP – Client Id* / Folio No. _____ No. of Shares held _____

I / We certify that I / We am / are a registered shareholder of the Company.

I / We hereby record my / our presence at **19th Annual General Meeting** of the Company on **Thursday, August 29, 2013** at 3.00 P.M. at the Registered Office of the Company situated at Survey No. 198/1 & 203/2, Saijpur – Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405

Name of the Shareholder

Address of the Shareholder

Signature of the Shareholder

NOTE: Shareholders are requested to bring Attendance Slip duly filled in and hand over the slip at the entrance of the meeting venue.

* Applicable for shares held in electronic form.

Note: No Gift/Gift Coupons/Refreshment Coupons will be distributed at the Meeting

NANDAN EXIM LIMITED

Regd. Off.: Survey No. 198/1, 203/2, Saijpur-Gopalpur, Pirana Road, Piplej, Ahmedabad – 382405

PROXY FORM

19th ANNUAL GENERAL MEETING – THURSDAY, AUGUST 29, 2013 AT 03.00 P.M.

DP – Client Id* / Folio No. _____ No. of Shares held _____

I / Weof.....

in the district of being a member / members of **NANDAN EXIM LIMITED** hereby appoint

..... of In the district of

..... or falling him / her,

..... of In the district of

..... as my / our proxy to attend & vote for me / us on my / our behalf at the **19th Annual General Meeting** of the Company to be held on **Thursday, August 29, 2013** at 3.00 P.M. at the Registered Office of the Company situated at Survey No. 198/1 & 203/2, Saijpur – Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405 or at any adjournment thereof.

Signed this day of, 2013

.....
Affix
Revenue
Stamp

This form is to be used @ in favour of / against the resolution. Unless otherwise instructed, the proxy will act as he/she thinks.

* Applicable for shares held in electronic form.

@ Strike out whichever is not desired.

NOTES

1. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. The proxy need not be a member of the Company.
2. The form should be signed across the stamp as per specimen signature registered with the Company.

BOOK-POST

To,

If undelivered, please return to :



NANDAN EXIM LIMITED

CORPORATE OFFICE : "Chiripal House",

Shivranjani Cross Roads, Satellite Road, Ahmedabad - 380015.

Tel : 91-079-26734660-2-3 Fax : 91-079-26768656

Ganapati, (079) 26568111